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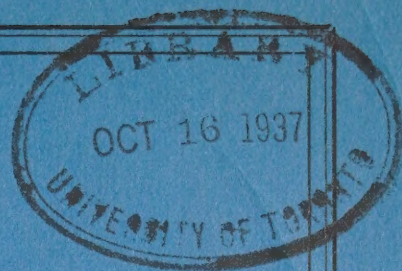






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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY

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FOR THE CALENDAR YEAR 1934

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Published by Authority of HON. E. N. RHODES, K.C., M.P.,  
Minister of Finance



CANADA

OTTAWA  
J. O. PATENAUDE  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1935

Price 10 cents.







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The Hon. E. N. RHODES, K.C., M.P.,  
Minister of Finance,  
Ottawa.

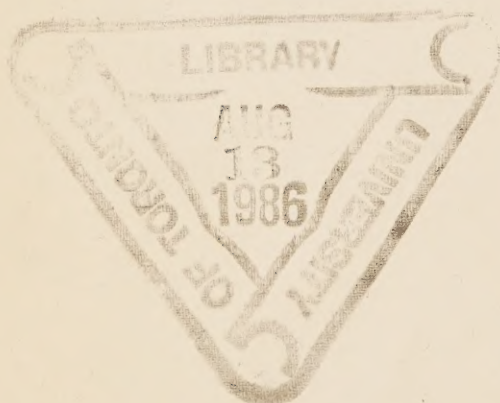
SIR,—I have the honour to submit my second Annual Report on the administration of the Bankruptcy Act during the year ending 31st December 1934.

A review of the administration of bankrupt estates in Canada since the Bankruptcy Act Amendment Act, 1932, came into effect indicates that very appreciable improvements have already been made, with resulting advantage to the business and commercial life of the country. I have outlined, in this report, the more important features of the work of supervision and of the results thereof. The tables comprising the Appendix present in statistical form a summary of the bankruptcies opened and closed during the year, together with certain data on administrative costs and payments to creditors.

Yours very truly,

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, 20th March, 1935.





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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1934

## 1. THE BANKRUPTCY ACT AMENDMENT ACT, 1932

The Bankruptcy Act Amendment Act of 1932 was passed to remedy the abuses that had prevailed in bankruptcy matters for some years prior to 1932. Fraudulent bankruptcies, defaulting and absconding trustees, collusion and connivance between debtors and trustees, solicitation of assignments, excessive costs, and unnecessary delays in the administration of estates were among the principal abuses alleged to exist and for which a remedy was sought. A lengthy investigation initiated in 1929 by the Council of the Bar of Montreal, continued and expanded by the Canadian Bar Association, and completed by a Special Committee of the House of Commons, established the existence of these and other abuses. The practically unanimous opinion of the members of these committees, and of those associations and individuals whose experience in bankruptcy matters entitled them to be heard, was that the most effective remedy was to be found in the licensing of trustees and in the continuous supervision of their operations. Provision to secure this control by the licensing and supervision of trustees was the most important change introduced by the Bankruptcy Act Amendment Act. W. J. Reilley, K.C., formerly Registrar of the Bankruptcy Court of the Province of Ontario, was appointed to the position of Superintendent of Bankruptcy on 1st October 1932, and the new legislation was declared to come into effect on 1st December 1932.

Some doubt immediately arose with regard to the extent and scope of the Amendments and, in particular, as to whether the supervisory provisions should apply to estates already in existence but not completely administered when the Amendments came into force. An early attempt to obtain a judicial interpretation was made in *In re Allan's Limited* (14 Canadian Bankruptcy Reports 179), in which case it was held that the Amendments of 1932 had no retroactive effect. It was not until December, 1933, that a comprehensive decision on the matter was reached when in the case of *A. S. Lavallee* (15 Canadian Bankruptcy Reports 169) it was held that the Amendments were in the nature of a remedial enactment, intended to protect the public from the continuation of the abuses formerly complained of and, consequently, were applicable to the administration of all bankruptcies on and after the 1st of December, 1932, irrespective of the dates upon which they came into existence. As the same principle has since been stated in *In re Colle and Gadbois* (15 Canadian Bankruptcy Reports 265 at 268) and in *in re Estate of William F. Mahon* (Nova Scotia), and other cases, there would not appear to be any further doubt in the matter.

## 2. PROMULGATION OF THE BANKRUPTCY ACT IN THE NORTHWEST TERRITORIES

As originally promulgated the Bankruptcy Act applied only to the nine provinces of Canada. It has recently been found advisable to extend the provisions of the Act to the Northwest Territories. Accordingly, by Order in Council of 26th June 1934 (P.C. 1293), the Bankruptcy Act was proclaimed to be in force in the Northwest Territories on and after the date on which such proclamation was first published in the *Canada Gazette*. Publication was made in the *Canada Gazette* on the 7th of July, 1934.

## 3. APPOINTMENTS UNDER THE BANKRUPTCY ACT—OFFICIAL RECEIVERS

George Argo McGillivray, Assistant Master of the Supreme Court of Ontario, Toronto, appointed Official Receiver for Bankruptcy Division No. 9, Ontario, vice Mr. O. E. Lennox, resigned. (P.C. 356, 21st February 1934.)

Francis Gordon Cook, Registrar in Bankruptcy, Toronto, appointed Official Receiver for Bankruptcy Division No. 9, Ontario, vice Mr. G. A. McGillivray, resigned. (P.C. 3299, 31st December 1934.)

Egbert Owen, Official Administrator of Estates for the Northwest Territories, Edmonton, appointed Official Receiver for the Northwest Territories. (P.C. 1271, 18th June, 1934).

Edward C. Weyman and Muriel Corkery, Barristers-at-law, Saint John, N.B., appointed Official Receivers for Bankruptcy Division No. 1, New Brunswick, vice Mr. C. H. Ferguson, deceased. (P.C. 3214, 19th December, 1934).

#### 4. LICENSING AND SUPERVISORY ACTIVITIES

##### (i) LICENSING OF TRUSTEES

###### (a) *Licences granted for 1934*

Renewal certificates for 1934 were issued to 328 of the 360 trustees whose licences expired on 1st December, 1933. In addition, 23 new licences were issued during the year 1934, bringing the total number of licences in force in 1934 to 351.

###### (b) *Licences Cancelled in 1934*

Withdrawals from practice (2).

Death of trustees (2).

Failure to maintain security required by section 36A (3).

###### (c) *Renewal of Licences for 1935*

Of the 344 trustees whose licences expired on 31st December 1934, 303 applied for certificates of renewal for 1935; 300 applications for renewal have been granted, two have since been withdrawn, and one has not been granted.

###### (b) *Distribution of Licences*

The following table shows the distribution by provinces of the 300 licences renewed for 1935. In this table trustees licensed to operate in two or more provinces are shown only in the province in which their head offices are situated:—

Nova Scotia . . . . .	11	Quebec . . . . .	139	Saskatchewan . . . . .	5
New Brunswick . . . . .	6	Ontario . . . . .	97	Alberta . . . . .	7
Prince Edward Id. . . . .	2	Manitoba . . . . .	11	British Columbia . . . . .	22

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces are included in the total for each province in which they operate:

Nova Scotia . . . . .	16	Quebec . . . . .	149	Saskatchewan . . . . .	17
New Brunswick . . . . .	11	Ontario . . . . .	109	Alberta . . . . .	18
Prince Edward Id. . . . .	4	Manitoba . . . . .	18	British Columbia . . . . .	27

It will be seen from the above figures that while there has been an appreciable reduction since 1933 in the licences issued, the number is still comparatively high. This is particularly noticeable in practically all of the larger cities, where there are still many more trustees than can possibly be needed. This situation is largely a result of the very large number of applications for appointment received immediately after 1st December 1932, from qualified men with previous continued experience in the administration of bankrupt estates. It is generally



conceded that the number of licensed trustees operating in the larger centres is too high, and a consistent effort is being made to reduce still further the number of licences when this can be done without hardship to those already appointed. The overcrowding of trustees is productive of intense and unhealthy competition which is entirely opposed to the interests of the creditors and of good administration generally.

#### (ii) SECURITY DEPOSITED BY TRUSTEES

All applicants for appointment as trustees are required to deposit with the Superintendent, for the due and faithful performance of their duties, security in sums varying from \$2,000.00 to \$10,000.00, depending upon the importance of the centre in which they operate. The Superintendent is empowered by section 36A (3) (f) to increase or decrease the amount of the security deposited with him to such extent as he may from time to time determine. This qualifying or "blanket" security may be enforced if need be by the Superintendent on behalf of the creditors of any estate covered thereby. It is additional to the security deposited with the Official Receiver by licensees on their appointment as custodian or trustee to each estate, and provides a reasonable amount of marginal security for the protection of the creditors against the possibility of default on the part of a licensed trustee.

Experience has already proved the value of these qualifying bonds. They not only furnish a fund from which possible defalcations can be met; they also furnish an incentive to the trustees themselves to see that the administration of each estate is reasonably covered. For, should the periodical review of asset values in the hands of trustees reveal that any trustee is not sufficiently bonded, that trustee is immediately required to increase the amount of the bond filed with the Superintendent. In a number of cases trustees have already been required to substantially increase the amount of their bonds. To avoid this contingency and the consequent additional cost to themselves, the trustees now see that adequate surety bonds are filed in each estate. Formerly these were frequently of insufficient amount, if not overlooked altogether, in order to save to the estate the small premium payable on the bond. The amount of the bond filed by the trustee in each estate is now reported to the Superintendent by the Official Receiver. If, on examination of the statement of affairs, the amount of the bond is not found to provide reasonably sufficient security, the matter is immediately taken up with the Official Receiver and the trustee.

#### (iii) PROGRESSIVE SUPERVISION OF ESTATES

In addition to the record of trustees and estates that the Superintendent is required by section 36A (3) (b) to keep, it has been necessary to provide for the systematic and continued supervision of all estates to ensure the progress of their administration in a diligent and orderly manner. By this means the record of every individual estate is periodically reviewed and, where such action is necessary, the trustee is required to report progress on a form provided for this purpose. It is in this way possible for the Superintendent to keep informed of the progress of every estate in all parts of the country and to inquire, where necessary, into any phase of a trustee's administration which may require explanation. Should a progress report reveal that no good reason exists for the delay in closing an estate further inquiry is made and the matter followed up with a view to the administration being completed as soon as possible.

Continued progressive supervision of this kind during the past two years has revealed many differences in administrative methods and numerous departures from the methods of procedure prescribed by the Act. It has been found that in a surprisingly large number of cases no effort had formerly been made by trustees to comply with many of the statutory requirements. Estates were

frequently abandoned without notice before the administration was completed. A very great deal of time and effort has been devoted to the guidance of trustees in these matters of procedure and to obtain greater uniformity along these lines, and much has already been accomplished in this direction. Special attention has also been paid to the numerous old estates, in existence for years, which have not yet been completely administered as there was no obligation on Court officials to see that the trustees completed their duties. These are gradually being closed out with the assistance and co-operation of the officials of the Bankruptcy Courts and of the bonding companies.

#### (iv) REDUCTION OF ADMINISTRATIVE COSTS

The former extremely high cost of bankruptcy proceedings and administration, which in many cases left little or nothing for the creditors, was one of the principal grievances which the supervision introduced by the Bankruptcy Act Amendment Act, 1932, was expected to remedy. A great deal of attention has accordingly been given to this aspect of bankruptcy administration, and a very appreciable improvement is already apparent. The extent of this saving is indicated by the comparisons of administrative costs on page 12.

Three important items enter into the cost of administering bankrupt estates. These are: (a) trustees' fees and costs, (b) solicitors' fees and costs, and (c) Court costs.

Trustees are required to forward to the Superintendent copies of all interim and final statements of receipts and disbursements respecting their administration of estates. These are carefully examined to ensure that all disbursements and charges of whatsoever nature do not exceed the rates established by the Bankruptcy Act and Tariff. All charges in excess of those authorized by the Act are brought to the attention of the trustee concerned and, if necessary, to the attention of Registrars and taxing officers. In this way the provisions of section 85 and of the tariff governing trustees' remuneration and costs, those of section 162 limiting the amount of legal costs payable, and those of the tariff regulating the fees of Court officials have been constantly kept before those concerned. It may safely be said that the exploitation of estates formerly complained of has been definitely stopped, and that the fees and disbursements of those now engaged in the administration of bankruptcy matters have been reduced to a more reasonable and proper basis.

Probably the most difficult question to deal with is that concerning the limits placed by the Act on the fees and costs of solicitors to estates. Section 162 (3) of the Act definitely provides that solicitors acting for estates in which the gross proceeds do not exceed five thousand dollars cannot be paid more than ten per cent of the gross proceeds for their services. Similarly, under section 162 (4) in estates whereof the gross proceeds exceed five thousand dollars, solicitors cannot be paid more than five per cent of the gross proceeds, except with the approval of the Court. These limits are set by the Act and no objection can possibly arise from the observance of these provisions. They should be well known to all concerned and constitute a not unimportant feature of the economy of the Act.

Another important source of costs arose from the practice adopted in some parts of the Dominion of having a solicitor appear on every application made by a custodian or trustee, however routine in character. It was found that estates were being burdened with substantial costs for legal services on merely routine matters. In one estate it was found that legal costs of \$43.60 were incurred in attending to tax the custodian's accounts; \$79.50 on the custodian's application for discharge, and \$99.40 on taxation of the trustee's accounts and on his application for discharge; a total of \$222.50. In another estate legal costs totalling \$190.60 were incurred for the same services. As it can hardly be doubted that the custodian and the trustee are themselves in a better posi-



tion than anyone else to explain their accounts, and as elsewhere throughout Canada the amount payable would be from \$8 to \$25 approximately for Court disbursements only, these very high costs cannot under any circumstances be justified. It is believed, however, that all such difficulties have now been eliminated by the passing of Order in Council of 3rd November 1934 (P.C. 2737) introducing Bankruptcy Rule 5A, a new rule which provides that an interim receiver, custodian or trustee shall be entitled to appear in person before a Registrar on any application or proceeding.

#### (v) COMPLAINTS FROM CREDITORS AND OTHERS

During the year 105 complaints were received and recorded as compared with 134 received during the previous thirteen-month period ending 31st December 1933. Of the 105 complaints received in 1934, 63 dealt with estates in the hands of licensed trustees; the remaining 42 concerned the administration by unlicensed trustees of estates in existence prior to 1st December 1932. Every complaint received has been investigated by correspondence and, where necessary and practical, a personal investigation was made by a member of the staff.

As before, the majority of the complaints received deal with delays in the payment of claims and in the winding up of estates, and in many of these cases no blame attaches to the trustees who are usually doing their best to administer their estates as promptly and as efficiently as possible. In the few cases in which the trustees have been found to be at fault they have been required to attend to the matter without delay. It is realized, however, that even the most efficient and experienced trustee cannot always be expected to give complete satisfaction to everyone, and disappointed creditors are sometimes very difficult to deal with.

Special consideration is given to complaints received from debtors to ensure that right and equitable treatment has been given them during the course of the administration. These are often difficult cases to deal with, especially when the debtor, through no fault of his own, finds himself deprived of a business that has taken the better part of a lifetime to build up.

A different category of complaints consists of those received from persons attempting to use the right of supervision in this office as a means to coerce trustees into the settlement of claims of doubtful validity. These are not usually difficult to deal with. On the whole, comparatively few complaints of a serious character have been made against the administration of licensed trustees.

#### (vi) INVESTIGATIONS

Seven personal investigations were made during the year, as follows:—

1. The administration and accounts of a trustee were examined and a check made on his trust funds to ensure that all were in order. It had been found impossible to obtain satisfactory information from this trustee by correspondence. Renewal of his licence was withheld until the investigation was completed.

2. An investigation was made following the receipt of a complaint that a licensed trustee had solicited a debtor to make an assignment. The report of the investigation indicates that there was solicitation in this case, although this is denied by the trustee. The report has been filed for future reference and use, if necessary.

3. An investigation was made into certain complaints of irregularities by means of which a licensed trustee was attempting to secure an appointment to an estate with a view to the administration being conducted along lines favourable to certain interests. It was claimed that fictitious proofs of debt had been solicited by or on behalf of this trustee to enable him to obtain control of the

situation. The investigation revealed that solicitations had been made, but it was impossible to establish definitely by whom they had been made as the trustee himself denied having had anything to do with, or any knowledge of, any irregularities in the matter.

4. An examination was made of the accounts of a trustee with the concurrence of the trustee to determine if the bond filed with the Superintendent, which in 1933 had been increased to \$25,000, could be safely reduced to the normal amount of \$10,000. The report was favourable and the bond was reduced accordingly.

5. An investigation was made following the receipt of a complaint to the effect that a licensed trustee had altered the minutes of a meeting of the directors of a debtor company, in the interest of one of the creditors. The investigation failed to substantiate the allegation. The original minutes examined did not show any apparent alteration. The complainant has failed to produce any evidence in support of his allegation.

6. An examination of the records and accounts of a deceased trustee was made to ascertain the standing of the estates not completely administered by him at his death. An effort is being made to have each of these matters satisfactorily wound up.

7. An investigation was made following the receipt of a complaint that a licensed trustee had solicited proxies in order to obtain the appointment as trustee to a certain estate. The investigation revealed that although solicitations of proxies had undoubtedly been made it would be very difficult to definitely prove solicitation in this case. As in the other cases of this kind, the report has been noted and filed for future reference and use, if necessary.

A number of other matters of a more general character were personally investigated by the Superintendent or by members of his staff while on business outside of Ottawa. Whenever possible, advantage is taken of such opportunities to maintain personal contact with trustees and Court officials.

As in the previous year every effort has been made in view of the need for economy to keep expenditures as low as possible. Personal investigations have been made only in those cases in which the expenditure thereby incurred appeared to be justifiably and fully warranted, all other matters being investigated by means of correspondence. It is felt, however, that it is in the interest of improved administration that personal investigations be made more frequently than has hitherto been possible, in view of the undoubtedly beneficial effects derived therefrom. It is therefore probable that this phase of the work will receive more attention during the present year, should conditions continue to require it.

#### (vii) PERSONAL CONTACT WITH COURT OFFICIALS AND TRUSTEES

Supervision can always be better effected when there is personal acquaintance and contact with the officials of the Court and the trustees. An effort is accordingly made to keep in touch with officials and trustees as much as possible.

In June of 1933 the Superintendent visited the Maritime Provinces and called on a large number of Registrars, Official Receivers and trustees in these provinces. In September, 1934, he made a trip to the western provinces for the same purpose, his itinerary taking him to practically each city and town in Manitoba, Saskatchewan, Alberta and British Columbia in which a bankruptcy official or trustee is located. In the larger centres the trustees were gathered together and various problems arising in the course of their administration of estates were discussed. Such opportunities to meet and discuss these matters are of the greatest benefit to all concerned with the administration of the Act and cannot fail to produce excellent results.

#### (viii) RECORDS OF TRUSTEES' OPERATIONS

By Section 36A (3) (b) the Superintendent is required to keep a record of the estates to which each trustee is appointed, the value from time to time of the assets in the hands of each trustee, and particulars of the security deposited



by each trustee. The purpose of this record, which was opened on 1st December 1932, is to provide a simple method by which it is possible to summarily review the operations of each trustee at any time, with a view to protecting the creditors from the possibility of a shortage on the part of a trustee. It is satisfactory to note that not one cent has been lost to creditors on this account since the Bankruptcy Act Amendment Act, 1932, came into effect.

In addition to the above, it has been found necessary to keep records of certain general and particular phases of bankruptcies such as the numbers of estates opened and closed, the amounts of liabilities and assets and of the realization thereof, and of the cost of administration, in order that the Government may be kept informed of this aspect of the business conditions of the Dominion. It has also been found desirable to record certain more general data respecting the occupations of debtors, the size of their estates and the causes of their failures. This information has not hitherto been available and it is believed that it will be of value in many ways, and particularly in the event of amendments to the Bankruptcy Act being again considered. Fairly complete data have been compiled on the estates reported in 1933 and 1934. A series of tables covering the estates reported in 1934 and those closed in that year has been prepared to accompany this report and is included in the Appendix. The outstanding facts revealed by this review are as follows:—

#### NEW ESTATES—

1411 new bankruptcies were reported in 1934

The administration of 1620 estates was completed in 1934

These 1620 estates represented:

Total liabilities of .....	\$20,342,883
Total assets valued (by debtors) at .....	14,887,298
which realized .....	3,800,996

distributed as follows:

Payments to creditors .....	\$ 2,908,020
Payments to debtors in lieu of exemptions .....	12,173
Administrative costs .....	880,803

Average percentage cost of administration per estate, 23·1 per cent.

#### OLD ESTATES: (In existence prior to 1st December 1932)—

2030 old estates were reported in 1934

The administration of 1033 old estates was completed in 1934

938 of these estates represented:

A total realization of .....	\$ 5,011,959
Total administrative costs of .....	1,348,140

The remaining 95 old estates were closed in 1934 without final statements being received, these having been issued prior to 1st December 1932.

The above figures furnish a definite indication of the benefits now being secured to creditors by supervision. The old estates were subject to partial supervision only, that is, from 1st December 1932, onward, but the realization of the assets and the greater part of the administrative costs had been incurred prior to that date. A further analysis of these figures provides the following comparison:—

Average realization of old estates.....	\$5,343 24
Average cost of administering old estates.....	1,437 45
Average percentage cost of administration.....	26·9%

as against an average percentage cost of 23·1 for new estates fully administered under supervision.



The actual saving derived by creditors as a result of the supervision of this office has been calculated, in the case of the 1,620 new estates closed in 1934, to be \$390,897.00, when compared with the cost of administering the 938 old estates closed in 1934. This calculation is arrived at as follows:

COST OF ADMINISTERING 1620 NEW ESTATES IF CALCULATED ON PERCENTAGE COST OF ADMINISTERING OLD ESTATES

(The average percentage cost in old estates in 1934 was 26·9%)

Size of Estates	Total realization	Percentage cost of adminis- tration	Average cost of adminis- tration
	\$		\$
\$500 or under.....	141,625	89·1	126,188
\$501—\$1,000.....	217,767	60·0	130,660
\$1,001—\$2,500.....	510,772	45·6	232,912
\$2,501—\$5,000.....	566,752	37·8	214,232
\$5,001—\$10,000.....	543,901	34·1	185,470
over \$10,000.....	1,820,180	21·0	382,238
Administrative costs at average rate for old estates.....			1,271,700
Actual administrative costs.....			880,803
Estimated saving to creditors of 1620 new estates.....			390,897

Had the 938 “old” estates been administered on the same cost basis as the “new” estates, the saving in these old estates would have been as follows:

OLD ESTATES AT COST OF ADMINISTRATION OF NEW ESTATES

Size of Estate	Total realization	Percentage cost of adminis- tration	Average cost of adminis- tration
	\$		\$
\$500 or under.....	65,454	80·77	52,867
\$501 to \$1,000.....	97,954	52·15	51,083
\$1,001—\$2,500.....	270,334	35·92	94,866
\$2,501—\$5,000.....	348,586	24·38	84,985
\$5,001—\$10,000.....	672,804	19·79	133,148
over \$10,000.....	3,556,827	12·21	434,289
			851,238
Actual cost of administering old estates.....			1,348,140
Cost at average rate for new estates.....			851,238
Estimated saving if administered under supervision.....			496,902

(ix) GENERAL OBSERVATIONS ON SUPERVISION

Bankruptcy administration is hypothecated on the established principle that the assets of an insolvent debtor are a trust to be administered for the benefit of his creditors. When there is no equity remaining for the debtor he is interested only to the extent that his assets should be fairly and equitably distributed among his creditors. Accordingly, whether attention is directed towards the removal of former abuses, the constant checking made to see that administrative costs are kept within the provisions of the Act, the necessity of seeing that creditors are adequately protected against loss by requiring sufficient security to be provided, the investigation of complaints or the prompt, efficient and expeditious

administration by a trustee, the interest of the creditors is to be regarded as of paramount importance, no matter from what angle the situation may be considered. It is the creditors themselves who defray the cost of the supervision by means of a levy deducted from the amount received by them in respect of their claims. It is indeed a small contribution to a clean administration which insures a square deal to everyone, creditor and debtor alike. Direct and continuous supervision of the administration of bankruptcies has been found to provide the only assurance that the administration of these matters will proceed expeditiously, impartially and economically, and be duly terminated in accordance with the provisions of the Bankruptcy Act.

#### 5. PROSECUTIONS FOR BANKRUPTCY OFFENCES

Fifty-three cases of offences against the Bankruptcy Act, in which there were apparently reasonable grounds for prosecution, have been reported to this office since 1st December 1932. Criminal prosecutions were instituted and the accused brought to trial in thirty-two of these cases; convictions were obtained at first instance in seventeen, and in seven others the accused were acquitted of the charges. Appeals entered against three convictions resulted in two of these being maintained and the third set aside. Eight are still before the Courts.

Of the remaining twenty-one cases, in six the accused escaped prosecution, temporarily at least, by absconding. In three the proceedings were abandoned on restitution or a satisfactory settlement being made. In three others criminal proceedings are contemplated, but the accused had not been arrested when the last reports were received.

The criminal proceedings contemplated in the remaining nine cases were abandoned for the reasons stated below, as reported by the trustees:—

CASE No. 11. No proceedings taken, apparently because of lack of funds. The receipts from the few assets (book debts) taken over were barely sufficient to cover the bankruptcy costs. For the same reason the debtor was not examined.

CASE No. 21. The debtor was a man of some standing in his community, and the creditors and inspectors do not wish to have anything further to do with the prosecution. They consider that, having stripped him of his assets and having reported his offences to the proper authorities, they have completed their duties, both legally and morally. If they, as creditors, take any further action by way of a criminal prosecution, the general attitude of the community would be that the trustee and creditors were persecuting the man.

CASE No. 22. The inspectors felt that this was a border-line case and that there would be little hope of a successful prosecution. They felt that failure to obtain a conviction in this case would tend to encourage rather than discourage further like practices. The three inspectors were solicitors.

CASE No. 41. The inspectors unanimously resolved that no further action be taken. The report of the trustee was made, apparently, in the hope that some machinery would be available under section 195 that would relieve the creditors of the burden of the prosecution.

CASE No. 45. No criminal proceedings are contemplated at this time, owing to lack of funds.

CASE No. 510. The inspectors have decided not to take any further steps. They were satisfied that it would be impossible to obtain a conviction on any grounds but that of issuing false statements to obtain credit, and the judge definitely quashed this possibility.

CASE No. 82. No proceedings instituted as debtor had left the country, as balance of funds in hand insufficient to cover costs of extradition and prosecution; and as it was apparently impossible to establish ownership of certain properties presumably owned by debtor abroad.



CASE No. 92. The matter of possible offences under the Act was taken up with the inspectors and they were of the opinion that as the estate had so little funds and as the offences might be difficult to prove, it would be useless to recommend that prosecution be instituted.

CASE No. 94. There are no funds in the estate to pay for criminal proceedings, and the inspector feels that no useful purpose would be served thereby.

The figures given above represent those cases only that have been reported to this office, and there is reason to believe that they are not all-inclusive. They are of value, however, as an indication of the results obtained in the prosecution of persons accused of these offences. It will be noted that in the twenty-four cases actually dealt with by the Courts, seventeen convictions were registered. One of these convictions was later set aside on appeal, reducing the total to sixteen, which may be considered a fair average in criminal prosecutions generally.

It is evident, however, that in a large percentage of cases the creditors were reluctant to prosecute, partly because of the expense of the necessary preliminary investigation and of the preliminary hearing, partly because of the uncertain outcome of the proceedings. It is apparent that no great progress will be made in bringing offenders to justice until such time as the creditors themselves become more determined to protect themselves from this species of crime. On the other hand, the leniency of the Courts in many cases in imposing penalties has discouraged the creditors very much. A change was made in 1932 by the amendment of section 195 (referred to in Case No. 41 above) to empower the Court to make an order directing a prosecution, but few orders have been made thereunder, and it is hardly to be expected that these rather exceptional provisions will be of general application. The responsibility to prosecute rests upon the creditors, and when necessary they should be prepared to authorize the use of possible dividends in criminal proceedings. When no funds are available with which to prosecute the offenders almost without exception go unpunished, unless the offence is so serious that the provincial authorities themselves assume the responsibility and expense of the prosecution. This is a phase of bankruptcy administration that would seem to warrant further study. The suggestion has recently been made in England that the creditors establish a special fund for this purpose. Here, the levy now collected is barely sufficient for present purposes, but it might be worth while to consider the advisability of increasing the rate of the levy to provide a fund for the investigation and prosecution of these offences.

#### 6. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Rule 35 under this Act requires the Official Receiver in each case to forward certain documents therein named to the Superintendent of Bankruptcy. These are being filed and an index kept of each proposal so that a record of all relevant documents is available in the case of each farmer. In addition thereto the information contained in the farmers' statements of affairs is extracted and compiled in record form so that it will be available at any time to show particularly the deductions made in farmers' liabilities.

By Order in Council of the 15th November 1934 (P.C. 2845) the additional duty of approving of the reimbursement to Official Receivers of the costs of stenographic and clerical assistance and of their disbursements for rent was placed on the Superintendent of Bankruptcy. The same responsibility has been placed upon the Superintendent by Order in Council of the 16th February 1935 (P.C. 422) in respect of similar disbursements for Registrars of the provincial Boards of Review.

Section 15(2) of this Act provides that an Official Receiver acting as trustee, where an assignment or Receiving Order is made in the case of a farmer, shall be subject to such supervision by the Superintendent of Bankruptcy as may be determined by the Governor in Council. By Order in Council of 22nd February



1935 (P.C. 471), the same right of supervision was extended to trustees under this Act as under the Bankruptcy Act. The number of assignments made under this Act is not yet large but considerable assistance has already been given to trustees advising and informing them of the nature of their duties and of the procedure to be followed.

## 7. REVENUE AND EXPENDITURES

Detailed statements of the monthly revenues and of expenditures during 1934 are given below.

The revenue from the levy appears to have reached in this year the average which may be expected to be received therefrom until such time as business conditions generally and the real estate market will have shown some appreciable improvement. It will be seen from Table XXIII of the Appendix that of the 1,620 new estates closed during the past year, 984 had realized assets of \$1,000 or less, and 680 had realized assets of \$500 or less. It will readily be seen that very little revenue can be expected from these small estates in which the percentage administrative costs are relatively high, as the levy is wholly calculated upon and determined by the amount of the payments to creditors. The coming of better times, however, will probably improve the situation as to dividends and, consequently, the receipts from the levy. In the meantime, it is satisfactory to note that sufficient revenue is being collected to fulfil the purpose of the levy, which is to defray the cost of the supervision.

### STATEMENT OF REVENUE—CALENDAR YEAR 1934

1934	Licence fees	Levy	Unclaimed Dividends	Undis-tributed Assets	Mis-cellaneous
	\$	\$	\$	\$	\$
January.....	235 00	2,921 46	162 50	47 35	1 50
February.....	70 00	2,574 15	9 85	12 57	
March.....	20 00	2,573 14	36 86	50 74	
April.....	100 00	1,801 44	.....	150 59	
May.....	.....	2,172 74	103 31	51 46	
June.....	60 00	2,930 35	323 78	15 10	
July.....	67 50	2,334 11	6 05	53 81	
August.....	25 00	1,647 28	4 04	14 82	
September.....	40 00	1,952 39	108 27	46 28	
October.....	1,896 25	2,048 84	0 92	121 56	
November.....	4,027 65	1,466 28	51 47	31 31	
December.....	608 75	2,447 52	23 88	17 93	
Total.....	7,150 15	26,869 70	830 93	613 52	1 50
Less Refunds.....	540 00	140 97			
	6,610 15	26,728 73	830 93	613 52	1 50

### STATEMENT OF EXPENDITURE—CALENDAR YEAR 1934

Salaries.....	\$ 21,181 36
Printing and Stationery.....	1,579 94
Travelling.....	880 20
Rent and Maintenance.....	2,518 06
Sundry.....	112 22
Total Expenditures.....	\$ 26,271 78





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THE SUPERINTENDENT OF BANKRUPTCY

TABLE I—BANKRUPTCIES REPORTED IN 1934

NEW BANKRUPTCIES REPORTED

Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
42	34	8	365	429	269	95	54	31	31	53	1,411

BANKRUPTCIES IN EXISTENCE PRIOR TO 1ST DECEMBER 1932 (OLD ESTATES) REPORTED IN 1934

Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
45	17	8	346	272	496	220	174	164	163	125	2,030

TOTAL OF ALL BANKRUPTCIES REPORTED

Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
87	51	16	711	701	765	315	228	195	194	178	3,441

TABLE II.—BANKRUPTCIES REPORTED IN 1934—BY MONTHS AND BY DISTRICTS

—	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
January.....	2	4	0	35	41	39	13	7	4	7	6	158
February.....	8	4	0	35	32	19	4	5	5	4	8	124
March.....	3	1	2	21	35	28	13	2	5	4	2	116
April.....	3	5	0	37	48	24	11	7	4	2	4	145
May.....	5	3	1	29	27	19	6	5	2	2	3	102
June.....	4	4	0	22	25	19	6	3	4	1	11	99
July.....	2	1	2	29	38	17	7	7	3	2	2	110
August.....	3	1	0	13	33	18	3	2	2	1	3	79
September.....	2	1	0	35	22	24	7	8	2	2	2	105
October.....	3	6	1	32	46	21	7	2	0	2	7	127
November.....	5	4	1	44	40	21	11	3	0	2	2	133
December.....	2	0	1	33	42	20	7	3	0	2	3	113
Total.....	42	34	8	365	429	269	95	54	31	31	53	1,411



TABLE III.—ASSIGNMENTS ONLY (VOLUNTARY CASES)

—	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Mont- real	Ontario	Toronto	Mani- toba	Saskat- chewan	Alberta	British Colum- bia	Total
1934												
January.....	2	4	0	34	40	36	9	6	3	5	5	144
February.....	7	4	0	32	29	16	2	5	4	3	6	108
March.....	3	1	1	20	30	25	10	2	5	3	0	100
April.....	3	5	0	31	45	21	5	5	4	1	4	124
May.....	5	3	1	24	19	17	3	4	2	2	3	83
June.....	4	4	0	18	20	19	5	2	4	1	8	85
July.....	2	1	1	26	36	16	5	7	3	2	2	101
August.....	3	1	0	9	29	17	2	2	1	1	1	66
September.....	1	1	0	32	21	21	6	8	2	2	2	96
October.....	2	5	1	31	40	21	4	2	0	1	6	113
November.....	5	2	1	38	36	19	9	3	0	1	2	116
December.....	1	0	1	28	37	15	4	3	0	2	1	92
Total.....	38	31	6	323	382	243	64	49	28	24	40	1,228

TABLE IV.—RECEIVING ORDERS ONLY (INVOLUNTARY CASES)

—	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Mont- real	Ontario	Toronto	Mani- toba	Saskat- chewan	Alberta	British Colum- bia	Total
1934												
January.....	0	0	0	1	1	3	4	1	1	2	1	14
February.....	1	0	0	3	3	3	2	0	1	1	2	16
March.....	0	0	1	1	5	3	3	0	0	1	2	16
April.....	0	0	0	6	3	3	6	2	0	1	0	21
May.....	0	0	0	5	8	2	3	1	0	0	0	19
June.....	0	0	0	4	5	0	1	1	0	0	3	14
July.....	0	0	1	3	2	1	2	0	0	0	0	9
August.....	0	0	0	4	4	1	1	0	1	0	2	13
September.....	1	0	0	3	1	3	1	0	0	0	0	9
October.....	1	1	0	1	6	0	3	0	0	1	1	14
November.....	0	2	0	6	4	2	2	0	0	1	0	17
December.....	1	0	0	5	5	5	3	0	0	0	2	21
Total.....	4	3	2	42	47	26	31	5	3	7	13	183

TABLE V—COMPARISON OF THE NUMBER OF ASSIGNMENTS AND RECEIVING ORDERS IN REGARD TO THE TOTAL NUMBER OF BANKRUPTCIES

—	Assignments		Receiving orders		Totals	
	Number	Per cent	Number	Per cent	Number	Per cent
Nova Scotia.....	38	90.5	4	9.5	42	100
New Brunswick.....	31	91.2	3	8.8	34	100
Prince Edward Island.....	6	75.0	2	25.0	8	100
Quebec.....	323	88.5	42	11.5	365	100
Montreal.....	382	89.0	47	11.0	429	100
Ontario.....	243	90.3	26	9.7	269	100
Toronto.....	64	67.4	31	32.6	95	100
Manitoba.....	49	90.7	5	9.3	54	100
Saskatchewan.....	28	90.3	3	9.7	31	100
Alberta.....	24	77.4	7	22.6	31	100
British Columbia.....	40	75.5	13	24.5	53	100
Totals.....	1,228	87.0	183	13.0	- 1,411	100

TABLE VI—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS  
TOTAL AND AVERAGES BY MONTHS FOR ALL NEW ESTATES REPORTED IN 1934

Month	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
January.....	158	2,083,888	2,493,003	13,252	15,779
February.....	124	1,058,140	1,367,524	8,533	11,029
March.....	116	1,047,190	1,449,120	9,020	12,492
April.....	145	880,970	2,655,564	6,076	18,314
May.....	102	988,473	1,237,654	9,681	12,134
June.....	99	1,260,860	2,893,527	12,736	29,227
July.....	110	1,651,446	1,570,184	15,013	14,275
August.....	79	1,169,669	1,254,706	14,806	15,882
September.....	105	1,191,903	1,275,217	11,351	12,145
October.....	127	1,113,296	1,561,229	8,766	12,293
November.....	133	1,552,659	2,121,060	11,674	15,948
December.....	113	683,982	1,329,686	6,053	11,767
Total.....	1,411	14,682,476	21,208,474	10,406	15,031

TABLE VII—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS  
TOTAL AND AVERAGES BY MONTHS FOR ALL NEW ESTATES CLOSED IN 1934

Month	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
January.....	184	1,598,969	2,370,085	8,690	12,881
February.....	142	1,327,134	1,609,347	9,346	11,756
March.....	161	1,372,544	1,609,900	8,525	99,994
April.....	148	1,790,415	1,679,885	12,097	11,350
May.....	171	1,112,467	1,989,028	6,505	11,633
June.....	130	819,205	1,276,354	6,301	9,818
July.....	107	903,290	1,312,491	8,442	12,265
August.....	94	1,105,922	1,249,115	11,765	13,288
September.....	119	1,295,336	2,489,504	10,885	20,920
October.....	138	1,111,025	1,472,534	8,051	10,671
November.....	119	1,098,035	1,287,524	9,227	10,819
December.....	107	1,352,956	1,937,116	12,644	18,104
Total.....	1,620	14,887,298	20,342,883	9,190	12,557



TABLE VIII—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES BY DISTRICTS FOR ALL NEW ESTATES REPORTED IN 1934

Province or city	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
Nova Scotia.....	42	416,917	520,307	9,926	12,388
New Brunswick.....	34	154,816	192,813	4,553	5,671
Prince Edward Island.....	8	18,472	67,605	2,309	8,451
Quebec.....	365	3,357,241	4,258,804	9,198	11,666
Montreal.....	429	4,108,094	5,985,918	8,576	13,953
Ontario.....	269	2,455,703	2,989,573	9,092	11,114
Toronto.....	95	1,332,299	3,471,107	14,024	36,538
Manitoba.....	54	436,047	531,311	9,075	9,838
Saskatchewan.....	31	431,814	431,646	13,929	13,924
Alberta.....	31	934,356	608,265	30,141	19,621
British Columbia.....	53	1,036,717	2,151,125	19,561	40,589
Total.....	1,411	14,682,476	21,208,474	10,406	15,031

TABLE IX—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES BY DISTRICTS FOR ALL NEW ESTATES CLOSED IN 1934

Province or city	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
Nova Scotia.....	49	381,566	751,220	7,787	15,331
New Brunswick.....	38	220,998	431,439	5,816	11,354
Prince Edward Island.....	10	38,006	68,894	3,801	6,889
Quebec.....	473	4,436,564	5,128,659	9,379	10,843
Montreal.....	475	3,697,273	5,894,648	7,784	12,409
Ontario.....	327	2,219,095	2,704,883	6,786	8,272
Toronto.....	84	1,918,182	2,954,159	22,835	35,168
Manitoba.....	54	1,283,639	1,223,746	23,771	22,662
Saskatchewan.....	33	183,606	312,478	5,564	9,469
Alberta.....	50	402,185	586,211	8,044	11,724
British Columbia.....	27	106,184	286,546	3,933	10,613
Total.....	1,620	14,887,298	20,342,883	9,190	12,557

TABLE X—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION  
BY MONTHS

Month	Number of Estates	Gross Receipts	Net receipts from operations	Total Realization	Total cost of Adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
January.....	184	349,984 88	7,641 08	357,625 96	87,188 19
February.....	142	348,052 80	1,090 26	349,143 06	72,922 40
March.....	161	279,519 60	108 30*	279,411 30	79,472 78
April.....	148	369,679 62	1,202 47*	368,477 15	86,012 75
May.....	171	282,809 18	3,257 04*	279,552 14	77,301 55
June.....	130	276,149 71	1,908 66*	274,241 05	60,158 32
July.....	107	232,855 39	19,254 38	252,109 77	60,891 05
August.....	94	282,863 16	12,202 57	295,065 73	55,093 94
September.....	119	273,119 31	4,360 22	277,479 53	84,918 41
October.....	138	272,881 67	14,306 30	287,187 97	72,665 54
November.....	119	294,784 64	31,713 81	326,498 45	67,725 31
December.....	107	453,733 95	470 19	454,204 14	76,452 59
	1,620	3,716,433 91	84,562 34	3,800,996 25	880,802 83

\*Loss.

TABLE XI—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION  
BY DISTRICTS

Province or city	Number of Estates	Gross Receipts	Net receipts from operations	Total Realization	Total cost of adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	49	95,727 29	4,020 22	99,747 51	22,478 86
New Brunswick.....	38	84,155 51	8,361 95	92,517 46	26,011 90
Prince Edward Island.....	10	11,578 00	.....	11,578 00	4,147 63
Quebec.....	473	1,109,127 90	16,739 85	1,125,867 75	263,262 80
Montreal.....	475	1,048,956 19	5,597 16	1,054,553 35	253,858 23
Ontario.....	327	529,292 98	37,858 66	567,151 64	143,681 36
Toronto.....	84	441,037 75	3,158 28	444,196 03	77,281 16
Manitoba.....	54	231,094 43	2,203 68	233,298 11	47,672 61
Saskatchewan.....	33	42,850 12	569 98	43,420 10	11,689 18
Alberta.....	50	88,791 16	5,893 34	94,684 50	19,435 15
British Columbia.....	27	33,822 58	159 22	33,981 80	11,283 95
Total.....	1,620	3,716,433 91	84,562 34	3,800,996 25	880,802 83



TABLE XII—AVERAGE NET REALIZATION AND COST OF ADMINISTRATION, AND ANALYSIS OF ADMINISTRATIVE COSTS—  
BY MONTHS

Month	Number of estates	Average size of estates (a)		Average cost of administration		Percentage cost of administration	Trustee		Legal		Levy		Less trustee's net deficit		Net cost of administration	
		\$	cts.	\$	cts.		\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
January.....	184	1,943	62	473	85	24.38	101	17	88	98	7	55	6	72	473	85
February.....	142	2,458	75	513	54	20.88	113	55	95	68	3	50	10	52	513	54
March.....	161	1,735	47	493	62	27.92	105	07	88	46	5	40	6	75	493	62
April.....	148	2,489	71	581	17	23.34	121	16	118	15	8	47	13	79	581	17
May.....	171	1,634	81	452	05	27.65	144	22	74	63	5	76	13	06	452	05
June.....	130	2,109	55	462	75	21.93	101	22	296	72	8	06	19	12	462	75
July.....	107	2,356	16	569	07	24.15	105	64	355	77	8	91	9	71	569	07
August.....	94	3,138	99	586	10	18.75	109	89	393	52	8	61	11	01	586	10
September.....	119	2,331	76	713	60	30.60	124	30	438	73	7	91	14	24	713	60
October.....	138	2,081	07	526	56	25.30	100	44	323	36	7	37	12	14	526	56
November.....	119	2,743	69	569	12	20.74	115	48	88	84	10	95	14	20	569	12
December.....	107	4,244	89	714	51	16.83	120	96	130	22	9	56	10	80	714	51
	1,620	2,346	29	543	70	23.10	110	64	99	96	7	99	11	65	543	70

TABLE XIII—AVERAGE NET REALIZATION AND COST OF ADMINISTRATION, AND ANALYSIS OF ADMINISTRATIVE COSTS—  
BY DISTRICTS

Province or City	Number of estates	Average size of estates (a)		Average cost of administration		Percentage cost of administration	Trustee		Legal		Levy		Less trustee's net deficit		Net cost of administration	
		\$	cts.	\$	cts.		\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Nova Scotia.....	49	2,035	66	458	75	22.53	296	55	101	41	7	95	3	18	458	75
New Brunswick.....	38	2,434	67	684	52	28.11	121	52	171	10	7	66	18	60	684	52
Prince Edward Island.....	10	1,157	80	414	76	35.82	240	53	98	18	3	72	11	96	414	76
Quebec.....	473	2,380	27	556	58	23.37	348	06	100	92	8	43	11	20	556	58
Montreal.....	475	2,220	11	534	44	24.07	335	86	99	98	7	10	16	93	534	44
Ontario.....	327	1,734	10	439	39	25.33	279	24	71	01	5	78	9	57	439	39
Toronto.....	84	5,288	04	920	02	17.39	548	21	207	60	17	18	8	39	920	02
Manitoba.....	54	4,320	34	882	82	20.43	515	70	132	79	17	29	6	95	882	82
Saskatchewan.....	33	1,315	76	354	22	26.92	119	58	32	30	4	06	0	36	354	22
Alberta.....	50	1,893	69	388	70	20.52	120	21	49	16	7	05	3	31	388	70
British Columbia.....	27	1,258	58	417	92	33.20	243	04	107	38	4	04	5	93	417	92
	1,620	2,346	29	543	70	23.10	336	76	99	96	7	99	11	65	543	70

(a) Based on the realization of assets.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIV—ANALYSIS OF TOTAL ADMINISTRATIVE COSTS—BY MONTHS

Month	Number of estates	Custodian	Trustee	Legal	Levy	Less net deficit	Net cost of admin- istration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
January.....	184	18,615 06	52,046 58	16,372 79	1,390 53	1,236 77	87,188 19
February.....	142	16,124 77	43,356 04	13,586 55	1,349 33	1,494 29	72,922 40
March.....	161	16,917 59	48,531 73	14,241 96	869 78	1,088 28	79,472 78
April.....	148	17,932 61	51,381 53	17,486 50	1,254 14	2,042 03	86,012 75
May.....	171	19,532 97	46,254 93	12,762 63	985 80	2,234 78	77,301 55
June.....	130	13,159 66	38,573 93	9,862 63	1,048 15	2,486 05	60,158 32
July.....	107	11,304 38	38,067 52	11,604 26	953 89	1,039 00	60,891 05
August.....	94	10,330 33	36,991 12	7,997 73	809 98	1,035 22	55,093 94
September.....	119	14,791 93	52,209 81	18,669 20	942 93	1,695 46	84,918 41
October.....	138	13,860 20	44,623 52	14,841 02	1,017 08	1,676 28	72,665 54
November.....	119	13,731 93	43,807 31	10,572 70	1,303 55	1,690 18	67,725 31
December.....	107	12,943 36	49,705 58	13,935 66	1,023 79	1,155 80	76,452 59
Total.....	1,620	179,244 79	545,549 60	161,933 63	12,948 95	18,874 14	880,802 83

TABLE XV—ANALYSIS OF TOTAL ADMINISTRATIVE COSTS—BY DISTRICTS

Province or City	Number of estates	Custodian	Trustee	Legal	Levy	Less net deficit	Net cost of admin- istration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	49	2,745 31	14,530 92	4,968 91	389 73	156 01	22,478 86
New Brunswick...	38	4,617 87	15,307 80	6,501 93	291 32	707 02	26,011 90
Prince Edward Isl.	10	842 92	2,405 37	981 76	37 23	119 65	4,147 63
Quebec.....	473	52,201 42	164,633 21	47,737 32	3,990 04	5,299 19	263,262 80
Montreal.....	475	51,502 14	159,533 92	47,490 30	3,374 56	8,042 69	253,858 23
Ontario.....	327	30,387 88	91,311 99	23,220 86	1,892 06	3,131 43	143,681 36
Toronto.....	84	13,053 90	46,050 01	17,438 46	1,443 85	705 06	77,281 16
Manitoba.....	54	12,094 76	27,848 07	7,171 00	934 13	375 35	47,672 61
Saskatchewan.....	33	3,914 95	6,586 20	1,065 84	134 03	11 84	11,689 18
Alberta.....	50	6,010 13	10,780 00	2,458 02	352 83	165 83	19,435 15
British Columbia..	27	1,873 51	6,562 11	2,899 23	109 17	160 07	11,283 95
Total.....	1,620	179,244 79	545,549 60	161,933 63	12,948 95	18,874 14	880,802 83



TABLE XVI—SIZES OF ESTATES CLOSED AND THEIR PERCENTAGE OF THE TOTAL

Province or City	\$500 or under	\$501-1000	\$1001-2500	\$2501-5000	\$5001-10,000	Over 10,000	Total
Nova Scotia.....	18	11	8	7	3	2	49
New Brunswick.....	17	8	5	3	3	2	38
Prince Edward Island.....	4	1	4	1	0	0	10
Quebec.....	184	77	101	56	35	20	473
Montreal.....	243	70	79	43	20	20	475
Ontario.....	108	101	75	26	10	7	327
Toronto.....	25	10	27	10	1	11	84
Manitoba.....	17	14	9	3	4	7	54
Saskatchewan.....	16	4	6	6	1	0	33
Alberta.....	35	4	5	2	0	4	50
British Columbia.....	13	4	5	4	1	0	27
Total.....	680	304	324	161	78	73	1,620
Percentage.....	41.97	18.77	20	9.94	4.82	4.50	100

TABLE XVII—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
(1) ESTATES OF \$500 OR LESS

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	18	3,194	1,722	177 44	95 67
New Brunswick.....	17	2,921	2,195	171 82	129 12
Prince Edward Island.....	4	1,452	1,175	363 00	293 75
Quebec.....	184	45,672	38,425	248 23	208 83
Montreal.....	243	49,031	42,017	201 77	172 91
Ontario.....	108	23,340	16,961	216 11	157 04
Toronto.....	25	2,699	1,855	107 96	(a) 74 20
Manitoba.....	17	2,660	2,100	156 47	123 53
Saskatchewan.....	16	2,669	2,061	166 81	128 81
Alberta.....	35	4,768	3,871	136 23	110 60
British Columbia.....	13	3,219	2,013	247 62	154 85
Total.....	680	141,625	114,395	208 27	168 23

Average percentage cost of administration 80.77%.

(a) *Re Toronto:* Of the above 25 bankruptcies it is to be noted that 11 show no realization nor costs of administration, the same having been absorbed by the trustee or paid by other parties. The average size of the remaining 14 estates and costs of administration are as follows:—

Size of estates.....	\$ 192 79
Cost of administration.....	132 50

TABLE XVIII—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
(2) ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	11	8,127	2,957	738 82	268 82
New Brunswick.....	8	6,546	2,689	818 25	336 12
Prince Edward Island.....	1	584	317	584 00	317 00
Quebec.....	77	55,508	32,318	720 88	419 72
Montreal.....	70	49,531	27,747	707 59	396 39
Ontario.....	101	71,307	34,626	706 01	342 83
Toronto.....	10	7,491	3,832	749 10	383 20
Manitoba.....	14	10,487	5,293	749 07	378 07
Saskatchewan.....	4	2,466	1,053	616 50	263 25
Alberta.....	4	2,780	1,449	695 00	362 25
British Columbia.....	4	2,940	1,299	735 00	324 75
Total.....	304	217,767	113,580	716 34	373 62

Average percentage cost of administration, 52.15%.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIX—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
(3) ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of estates	Total realization	Total cost of admin- istration	Average size of estate	Average cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	8	11,118	3,075	1,389 75	384 37
New Brunswick.....	5	7,000	2,421	1,400 00	484 20
Prince Edward Island.....	4	6,886	1,800	1,721 50	450 00
Quebec.....	101	159,541	54,917	1,579 61	543 73
Montreal.....	79	121,278	47,659	1,535 16	603 28
Ontario.....	75	121,570	43,340	1,620 93	577 87
Toronto.....	27	41,832	16,686	1,549 33	618 00
Manitoba.....	9	16,640	5,157	1,848 89	573 00
Saskatchewan.....	6	10,094	3,317	1,665 67	552 83
Alberta.....	5	8,002	2,557	1,600 40	511 40
British Columbia.....	5	6,811	2,550	1,362 20	510 00
Total.....	324	510,772	183,479	1,576 46	569 38

Average percentage cost of administration, 35·92%.

TABLE XX—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
(4) ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of estates	Total realization	Total cost of admin- istration	Average size of estate	Average cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	7	22,409	6,590	3,201 29	941 43
New Brunswick.....	3	11,842	2,571	3,947 33	857 00
Prince Edward Island.....	1	2,656	856	2,656 00	856 00
Quebec.....	56	201,202	46,535	3,592 89	830 98
Montreal.....	43	151,195	40,328	3,516 16	937 86
Ontario.....	26	86,488	19,491	3,326 46	749 65
Toronto.....	10	37,439	8,221	3,743 90	822 10
Manitoba.....	3	8,285	3,904	2,761 67	1,301 33
Saskatchewan.....	6	21,701	4,052	3,616 83	673 67
Alberta.....	2	7,575	1,004	3,787 50	502 00
British Columbia.....	4	15,960	4,509	3,990 00	1,127 25
Total.....	161	566,752	138,061	3,520 20	857 52

Average percentage cost of administration, 24·38%.

TABLE XXI—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
(5) ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of estates	Total realization	Total cost of admin- istration	Average size of estate	Average cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	3	21,263	4,530	7,087 67	1,510 00
New Brunswick.....	3	19,702	9,654	6,567 33	3,218 00
Prince Edward Island.....	0				
Quebec.....	35	258,143	41,616	7,375 51	1,189 03
Montreal.....	20	135,707	29,834	6,785 35	1,491 00
Ontario.....	10	60,812	12,317	6,081 20	1,231 70
Toronto.....	1	5,353	1,915	5,353 00	1,915 00
Manitoba.....	4	31,381	5,660	7,845 25	1,415 00
Saskatchewan.....	1	6,490	1,206	6,490 00	1,206 00
Alberta.....	0				
British Columbia.....	1	5,050	913	5,050 00	913 00
Total.....	78	543,901	107,645	6,973 10	1,303 14

Average percentage cost of administration, 19·79%.



TABLE XXII—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

(6) ESTATES OVER \$10,000

Province or City	Number of estates	Total realization	Total cost of admin- istration	Average size of estate	Average cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	2	33,636	3,605	16,818 00	1,802 50
New Brunswick.....	2	44,506	6,482	22,253 00	3,241 00
Prince Edward Island.....	0				
Quebec.....	20	405,806	49,452	20,290 30	2,472 60
Montreal.....	20	547,810	66,273	27,390 50	3,313 65
Ontario.....	7	203,635	16,946	29,090 71	2,420 86
Toronto.....	11	349,383	44,772	31,762 09	4,070 18
Manitoba.....	7	163,844	25,559	23,406 28	3,651 27
Saskatchewan.....	0				
Alberta.....	4	71,560	10,554	17,890 00	2,638 50
British Columbia.....	0				
Total.....	73	1,820,180	223,643	24,933 97	3,063 60

Average percentage cost of administration, 12·21%.

TABLE XXIII—RECAPITULATION OF COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of estate	Number of estates	Total realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
\$		\$	\$	\$ cts.	\$ cts.	Per cent
500 or under.....	680	141,625	114,395	208 27	168 23	80·77
501— 1,000.....	304	217,767	113,580	716 34	373 62	52·15
1,001— 2,500.....	332	510,772	183,479	1,538 46	552 65	35·92
2,501— 5,000.....	161	566,752	138,061	3,520 20	857 52	24·38
5,001—10,000.....	70	543,901	107,645	7,770 00	1,537 79	19·79
over 10,000.....	73	1,820,180	223,643	24,933 97	3,063 60	12·21
Total.....	1,620	3,800,997	880,803	2,346 29	543 70	23·17

TABLE XXIV.—ANALYTICAL STATEMENT SHOWING TOTAL OF ALL ITEMS OF RECEIPTS AND DISBURSEMENTS FOR ALL NEW ESTATES CLOSED (1620) AND AVERAGE FOR EACH ITEM.

	Total	—	Average	—
	\$ cts.		\$ cts.	
<i>Receipts—</i>				
Gross receipts.....	3,716,433 91		2,294 09	
Net receipts from operations.....	84,562 34		52 20	
Total realization.....		3,800,996 25		2,346 29
<i>Disbursements;</i>				
<i>Custodian</i>				
Fees of Official Receiver.....	25,492 93		15 73	
Advertising.....	29,775 37		18 38	
Notices to creditors.....	17,616 90		10 87	
Postage.....	8,323 08		5 14	
Possession and stocktaking.....	68,284 55		42 15	
Bond and insurance premiums.....	12,600 76		7 78	
Miscellaneous.....	17,151 20		10 59	
Total Custodian.....		179,244 79		110 64
<i>Trustee</i>				
Advertising.....	29,294 89		18 08	
Bond and insurance premiums.....	34,527 92		21 31	
Auctioneer.....	16,548 30		10 22	
Notices to creditors.....	30,685 62		18 94	
Postage.....	15,672 02		9 68	
Registrar's fees.....	32,304 75		19 94	
Inspectors' fees and disbursements.....	37,946 03		23 42	
Trustee's remuneration.....	226,734 89		139 96	
Miscellaneous.....	121,835 18		75 21	
Total Trustee.....		545,549 60		336 76
<i>Legal</i>				
On petition or assignment.....	61,631 96		38 04	
Solicitor to estate.....	97,845 25		60 40	
Awarded against trustee.....	2,456 42		1 52	
Total legal.....		161,933 63		99 96
Levy.....		12,948 95		7 99
Less trustee's deficits over residue.....		899,676 97		555 35
		18,874 14		11 65
Net cost of administration.....		880,802 83		543 70
Exemptions allowed debtor.....	12,173 57	12,173 57	7 51	7 51
Secured creditors.....	782,711 65		483 16	
Preferred creditors.....	813,515 57		502 17	
Ordinary creditors.....	1,311,792 63		809 75	
Total paid to creditors.....		2,908,019 85		1,795 08
Total payments.....		3,800,996 25		2,346 29



TABLE XXV.—OLD ESTATES REPORTED IN 1934  
REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF  
ESTATES

Amount of realization	Number of estates	Total realization	Cost of administra- tion
		\$	\$
\$500 or under.....	357	65,454	58,352
\$ 501—\$ 1,000.....	136	97,954	58,811
\$1,001—\$ 2,500.....	164	270,334	123,270
\$2,501—\$ 5,000.....	101	348,586	131,898
\$5,001—\$10,000.....	93	672,804	229,612
Over \$10,000.....	87	3,556,827	746,197
	938	5,011,959	1,348,140

Amount of realization	Average realization	Average cost of adminis- tration	Percentage cost of admin- tration
	\$    cts	\$    cts	Per cent
\$500 or under.....	183 34	163 45	89.1
\$ 501—\$ 1,000.....	720 25	432 43	60.0
\$1,001—\$ 2,500.....	1,648 38	751 65	45.6
\$2,501—\$ 5,000.....	3,451 35	1,305 92	37.8
\$5,001—\$10,000.....	7,234 45	2,468 95	34.1
Over \$10,000.....	40,883 06	8,576 97	21.0
	5,343 24	1,437 25	26.9

## CIRCULAR MEMORANDUM TO TRUSTEES

(No. 4 - May 1934)

*Re: Estates not fully administered on 1st December 1932*

I have learned that, in some estates under administration on the 1st December 1932, discharges have been granted to trustees and debtors without the required notices and documents having been forwarded to me.

Section 57 of the Bankruptcy Act requires the trustee to submit a copy of the statement of receipts and disbursements and of the final dividend sheet to the Superintendent of Bankruptcy, and Bankruptcy Rule No. 125 requires trustees to give at least ten days' notice of their application for discharge to the debtor, to each creditor, and to the Superintendent. The Amendments of 1932 to the Bankruptcy Act have been held to apply to all estates under administration on the 1st December 1932, as well as to those coming into existence thereafter. It is therefore necessary, in order that the supervision contemplated by the Amendments be effective, that in all cases notice of the trustee's application for discharge be sent to me together with a copy of the statement of receipts and disbursements and dividend sheet.

Trustees are required also by Section 141 (3) to give fourteen days' notice to the Superintendent of Bankruptcy of the hearing of a debtor's application for discharge.

You are required accordingly to furnish me with copies of all notices of application for discharge of trustees, together with the accompanying statements of receipts and disbursements and final dividend sheets, *issued on or after the 9th day of December, 1933*, the date on which the written judgment of Mr. Justice Boyer in *In re A. S. Lavallee* was delivered (see Circular Memorandum to Trustees No. 3). You are required also to forward copies of all notices of applications for discharge by debtors *issued on or after the 9th day of December, 1933*. A notation should be made on each notice of the date upon which the application has been granted, when such is the case. Applications with respect to which notice has already been given to me need not be duplicated. You are requested to see that copies of all notices of application for the discharge of the trustee (with accompanying documents) and of the debtor are forwarded in future on the dates on which they are issued.

I would ask you also to forward a *list* of all estates under administration on the 1st day of December, 1932, with respect to which you have not yet been fully discharged by the Court.

Kindly acknowledge receipt of this memorandum.

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

## CIRCULAR MEMORANDUM TO TRUSTEES

(No. 5 - November 1934)

The attention of trustees is directed to the following change in the Bankruptcy Rules, which have been amended by Order in Council of 3rd November 1934 (P.C. 2737) by adding thereto the following as Rule 5A:—

“Rule 5A. An interim receiver, custodian or trustee shall be entitled to appear in person before a Registrar on any application or proceeding.”

Rule 5A is in force from the date of the Order in Council approving the same. It will be published forthwith in the *Canada Gazette*.

6th November 1934.

W. J. REILLEY,  
*Superintendent of Bankruptcy.*















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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY



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FOR THE CALENDAR YEAR 1935

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Published by Authority of HON. CHARLES A. DUNNING, M.P.,  
Minister of Finance



OTTAWA  
J. O. PATENAUDE, I.S.O.  
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1936



The Honourable CHARLES A. DUNNING, M.P.,  
Minister of Finance,  
Ottawa.

SIR,—I have the honour to submit my third Annual Report on the administration of the Bankruptcy Act during the year ending December 31, 1935.

I have endeavoured to make this report as informative as possible in the hope that it may continue to serve not only as a record but also as material for the study of an important aspect of our economic activities. With this in view the tables comprising the Appendix have been revised and rearranged to some extent and a number of new tables, dealing with different phases of bankruptcy administration with regard to which authoritative information has not hitherto been available, have been added.

Yours very truly,

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, June 24, 1936

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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1935

For an outline of the background of the legislation introducing *The Bankruptcy Act Amendment Act, 1932*, which by proclamation came into effect on December 1, 1932, readers of this report are referred to the Annual Report for the Calendar Year 1934. The report for 1934 also contains brief accounts of the methods adopted for the bonding of trustees, for the progressive supervision of estates and other relevant subjects not dealt with in the present report.

## 1. APPOINTMENTS UNDER THE BANKRUPTCY ACT

### (a) OFFICIAL RECEIVERS

Donald F. MacLaren, Esq., Barrister, Barrie, appointed Official Receiver for Bankruptcy Division No. 3, Ontario, *vice* John McKay, resigned. (P.C. 719. March 25, 1935.)

Frederick James Albro Hall, Esq., Local Registrar of the Supreme Court, Peterborough, appointed Official Receiver for Bankruptcy Division No. 10, Ontario, *vice* George J. Sherry, deceased. (P.C. 1223. May 9, 1935.)

Charles-Emile Bachand, Esq., Prothonotary of the Superior Court, Sherbrooke, Division No. 4 (St. François-Bedford) Quebec, *vice* Leonard and Bachand, Mr. John Leonard having died 1st May, 1935. (P.C. 1258. May 15, 1935.)

Albert Desilets, Esq., K.C., Sherbrooke, appointed Official Receiver for Bankruptcy Division No. 4 (St. François-Bedford) Quebec, to act with Charles-Emile Bachand under the firm name of Bachand and Desilets. (P.C. 1746. June 26, 1935.)

Alexander Douglas Muggah, Esq., Prothonotary of the Supreme Court, Sydney, appointed Official Receiver for Bankruptcy Division No. 3, Nova Scotia, *vice* Henry F. Muggah, resigned. (P.C. 1997. July 16, 1935.)

James Kenneth MacLennan, Esq., Barrister, Sudbury, appointed Official Receiver for Bankruptcy Division No. 2, Ontario, *vice* Alexander H. Beath, resigned. (P.C. 2881. September 14, 1935.)

### (b) REGISTRAR IN BANKRUPTCY AND TAXING OFFICER

Alexander Douglas Muggah, Esq., Prothonotary of the Supreme Court, Sydney, appointed by the Honourable Chief Justice of the Supreme Court of Nova Scotia to be Registrar in Bankruptcy for the Counties of Cape Breton, Richmond, Inverness and Victoria, August 15, 1935, in the place and stead of Henry F. Muggah, resigned; also to be Taxing Officer under the Bankruptcy Act.

## 2. LICENSING AND SUPERVISORY ACTIVITIES

### (i) LICENSING OF TRUSTEES

#### (a) *Licences granted for 1935.*

Renewal certificates for 1935 were issued to 301 of the 344 trustees whose licences expired on December 31, 1934. In addition, 19 new licences were granted during the year 1935, bringing the total number of licences in force in 1935 to 320.

#### (b) *Licences cancelled in 1935.*

Three licences were cancelled during the year, owing to the deaths of two trustees and the withdrawal from practice of another.

(c) *Renewal of Licences for 1936.*

Of the 317 trustees whose licences expired on December 31, 1935, 293 applied for certificates of renewal for 1936. 292 applications for renewal have been granted.

(d) *Distribution of Licences.*

The following table shows the distribution by provinces of the 292 licences renewed for 1936. In this table trustees licensed to operate in two or more provinces are shown only in the province in which their head offices are situated:—

Nova Scotia.....	12	Quebec .....	134	Saskatchewan ...	5
New Brunswick..	7	Ontario .....	99	Alberta .....	7
Prince Ed. Island.	2	Manitoba .....	8	British Columbia.	18

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces are included in the total for each province in which they operate:

Nova Scotia.....	17	Quebec .....	144	Saskatchewan ...	16
New Brunswick..	12	Ontario .....	110	Alberta .....	18
Prince Ed. Island.	4	Manitoba .....	16	British Columbia.	24
Northwest Territories 1.					

The figures given above, when compared with those for the years 1933 and 1934, indicate the reduction that is gradually being made in the number of licensed trustees in accordance with the policy that has been adopted in this respect and to which a reference was made in my report for the year 1934. The number of licences issued for 1933 was 364. This was reduced to 351 in 1934, and to 320 in 1935. These reductions have come about mainly through the voluntary withdrawal from practice of licencees who found that the amount of bankruptcy work they received was not sufficient to warrant the renewal of their licences and qualifying bonds. In many cases licencees received no appointments as trustees at all. While the number of licencees has been reduced to more reasonable proportions (292 at the end of 1935) it is felt that the number of trustees licensed to operate in the larger centres, notably in Montreal and Toronto, is still out of proportion to the amount of bankruptcy work to be done in these centres.

## (ii) BANKRUPTCIES REPORTED AND ESTATES ADMINISTERED

*New Estates—*

Carried over from 1934 to 1935 (administration not completed in 1934).....	1,545
Reported during 1935.....	1,263
Total new estates under administration in 1935.....	2,808

*Old Estates—(in existence prior to 1st December, 1932):*

Carried over from 1934 to 1935 (administration not completed in 1934).....	1,477
Reported during 1935.....	343
Total old estates under administration in 1935.....	1,820
Total of all estates under administration in 1935.....	4,628

*The 1,198 new estates closed in 1935 represented:*

Total liabilities estimated (by debtors) at.....	\$19,402,471
Total assets valued (by debtors) at.....	14,039,847
which realized.....	2,797,009

*Distributed as follows:*

Payments to creditors.....	2,020,868
Payments to debtors in lieu of exemptions.....	12,524
Administrative costs.....	763,617
Average percentage cost of administration per estate,	
27.3 per cent.	

*The 428 old estates closed in 1935 represented:*

A total realization of.....	\$ 2,684,505
Total administrative costs of.....	731,512
Average percentage cost of administration per estate,	
27.2 per cent.	



Detailed information regarding the number of bankruptcies by provinces, size of estates, realization of assets, administrative costs, etc., will be found in the tables forming the Appendix to this report. A special effort has been made to make these tables as informative as possible and with this in view a number of new tables are published in this report for the first time. These deal with such matters as comparative costs for the years 1933, 1934 and 1935 (Table X): percentage costs of administration by districts (Table XIV): the number of bankruptcies settled by proposals of composition (Table XVI): applications of debtors for their discharge from bankruptcy (Table XVII), and an occupational classification of debtors (Table XVIII).

There were 1,263 bankruptcies reported in 1935 compared with 1,411 reported in 1934, a decrease of 148 in 1935. Comparative figures for all provinces for the years 1933, 1934 and 1935 are as follows:

—	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
*1933.....	68	57	12	740	652	573	180	76	73	102	71	2,604
1934.....	42	34	8	365	429	269	95	54	31	31	53	1,411
1935.....	36	35	4	303	490	203	82	31	23	22	34	1,263

\* These figures cover the thirteen-month period from 1st December, 1932 (when the Bankruptcy Act Amendment Act, 1932, came into effect) to 31st December, 1933.

These figures indicate a gradual decrease in the number of bankruptcies reported during the three year period for all provinces. It will be noted, however, that the metropolitan area of Montreal shows a substantial increase in 1935 compared with 1934. Owing to the importance of Montreal and Toronto as industrial and commercial centres it has been found desirable to maintain separate records for each of these cities.

The numbers of assignments (voluntary proceedings) and receiving orders (forced bankruptcies) in 1935 were 1,066 and 197 respectively, as compared with 1,228 and 183 in 1934. In 1935 the percentage of receiving orders was 15.6 per cent of the total number of bankruptcies reported; in 1934 it was 13 per cent of the total. These figures effectively dispel the popular impression that the majority of debtors are forced into bankruptcy by their creditors.

### (iii) COST OF ADMINISTRATION OF ESTATES

The analytical statements forming Part II of the Appendix furnish important information regarding the cost of the administration of the 1,198 estates closed in 1935. The information contained in Part III, in which is set forth the cost of administration according to the size of the estates administered, is also of value in this regard. A brief comment on these tables may not be out of place here.

It will be noted that the average cost of administering an estate depends largely upon the size of the estates administered. Certain necessary and unavoidable costs, such as the costs of the assignment or receiving order, disbursements incurred in the conservation and disposal of assets, costs of preparing and mailing notices and statements, and court fees on trustee's discharge, do not increase in proportion to the value of the assets. These costs fall proportionately heavier on small estates than on large, and in very small estates they may absorb most, if not all, of the proceeds. The assets of bankrupt estates have in the past four or five years fallen off appreciably to produce a resulting lower average in the size of the estates, a fact that cannot be overlooked when average costs are considered.



The comparative statement of average administrative costs for the years 1933, 1934 and 1935 (Table X) would appear to indicate that these costs have increased considerably over this period. However, this is not actually the case. The figures for 1933 represent 850 estates only of the 2,604 estates which came into existence in that year, the administration of the remaining 1,754 estates being carried over into 1934. Similarly, 1,620 only of the 3,165 estates under administration in 1934 were closed in that year, the balance of 1,545 being carried over into 1935. Of the 2,808 estates under administration in 1935, 1,610 have been carried over into 1936. In other words, the estates closed in 1935 included a proportion of those which came into existence in 1933 and 1934, and the cost of administering estates must also depend to some extent upon the length of time during which the estates are under administration. The delay in the winding-up of estates is due in many cases to the difficulties encountered in realizing upon the assets, particularly in cases in which the assets to be disposed of consist of real property.

A brief statement of the principal items entering into the cost of administering bankrupt estates was published in the report for the year 1934, and this phase of the administration of estates has continued to receive special attention. Care has been taken to see that the provisions of *The Bankruptcy Act* regulating or limiting the remuneration, fees and costs of custodians, trustees, inspectors, solicitors and court officials have been more closely observed, and that all such disbursements from estate funds have been properly authorized. Lack of uniformity in the interpretation and application of the provisions of the Act dealing with these matters has been mainly responsible for differences in bankruptcy costs found to occur in different bankruptcy districts, and it has consequently been necessary, in dealing with these matters, to distinguish between cases in which costs are generally above the average and those cases of individual estates in which, for some reason, the administrative costs are higher than usual. In the first category of cases—those occurring in bankruptcy districts in which the costs allowed are generally higher than elsewhere—the situation has been discussed with the judges and the officials of the courts with a view to obtaining a greater degree of uniformity in the interpretation and application of these special provisions of the Act. These discussions have already resulted in an appreciable improvement in the direction of reduced costs, and it is hoped that with the co-operation of the court officials a still greater degree of uniformity may be obtained. In the second class of cases—particular cases in which the administrative costs seem unusually high—the administration of these estates has been examined very carefully to determine the reason therefor and particularly whether or not the various provisions of the Act have been properly observed. General instructions and comment on individual cases are given to trustees on these matters, and it is gratifying to observe that in the majority of cases they have been carefully noted and put into effect. The detailed examination of administrative costs will necessarily continue to be an important phase of supervision to ensure compliance with the provisions of the Act governing these matters.

The systematic examination of the administration of individual estates occasionally reveals the existence of practices contrary to the principles governing the administration of trust funds. In one case where the trustee had assisted the debtors to prepare and file the assignment it was found that a solicitor's bill for costs on an assignment was paid by the trustee although the solicitor had rendered no services whatever. On investigating the matter I have been informed that it is not unusual in that district to enter the name of a solicitor on the deed of assignment and for the solicitor to receive payment for services stated to have been rendered to the debtor in the preparation and filing of the assignment although, as a matter of fact, the solicitor may have rendered no services and may have had nothing to do with the assignment. The attention of those concerned having been called to the impropriety of this practice it is expected that it will not be continued.



Instances have also been noted of payment of charges obviously in excess of the limitations placed thereon by the Act. In some of these cases the trustees had not been present when the bills were taxed, and these were paid, without further formality, on presentation. In some cases the bills had not even been taxed. Each of these cases has been carefully examined and the attention of the trustees directed to the importance of the proper observance of the provisions of the Act governing the employment of solicitors and agents and regulating the amount of the costs that may be paid. Appreciable progress has been made in this direction and it is hoped that the continuance of these efforts will result in a better understanding of the economy of the Act and in corresponding benefits to the estates.

Care has been taken to ensure the return to estates of funds rightfully repayable to them. An example of the services rendered to estates in this way is that found in the repayment to estates during the past two years of the unexpired portions of bond of indemnity premiums, which in many cases had not been reclaimed. By promptly notifying the bonding companies of the termination of the liability the trustees now obtain the refund of the unexpired portion of the premiums. Refunds have also been obtained in many cases in which the premiums had been in excess of the rates fixed by the tariff of the Canadian Casualty Underwriters Association. While the amount of the refund to the individual estate may not be great, yet the aggregate amount of these refunds reaches a substantial figure for all estates in the course of a year.

#### (iv) OBSERVATIONS ON THE ADMINISTRATION OF ESTATES

As in previous years close contact has been maintained with all trustees and with the progress made in the administration of each estate. Trustees have been advised on problems of procedure and have been aided, wherever possible, to overcome the difficulties preventing the prompt winding-up of estates. In many cases, particularly in the rural districts, the administration of estates had been left in suspense because of some technical difficulty which the trustees had themselves been unable to solve and with regard to which they were unable, owing to lack of funds, to obtain legal advice. Much success has been attained in having the administration of many of these estates completed during the year. With regard to the comparatively large number of estates in which the bankruptcies took place prior to the coming into effect of *The Bankruptcy Act Amendment Act, 1932*, and in which the administration has not yet been completed, I have again to express my appreciation of the continued co-operation of trustees, court officials and the officers of the bonding companies who have furnished their assistance in order that these matters may be disposed of as soon as possible.

One important cause of delay in the winding-up of estates of which trustees frequently complain arises from the difficulty in getting solicitors who have acted for the trustee to have their bills of costs taxed and submitted. Cases have been noted in which the taxation of bills of costs has been continually put off, and the trustees' repeated requests for the bills to be taxed ignored. There is very little excuse for these delays in most cases, and reasonable promptitude on the part of solicitors in proceeding to the taxation of their costs would materially assist the trustees and enable them to close the administration of estates without unnecessary delay on this account.

Many delays have been encountered in the administration of estates, particularly in the last five or six years, which are almost entirely unavoidable due to the very pronounced decrease in the values of assets during this period, more particularly with respect to real estate. In many cases, it is found that no matter what the reasonable present value may be it is not saleable at any price. Inspectors and creditors are naturally reluctant to allow such assets to be sold at the low prices obtainable, and the administration of the estates is continued in the hope of a recovery in values taking place or of a more reasonable offer

being received in the meantime. In such circumstances there is little that can be done, but in cases in which the completion of the administration is likely to be postponed for any considerable length of time the trustees are advised to make an interim distribution and proceed to a partial discharge when this can be done, in order that the creditors may be fully informed of the progress made and of the cause of the delay in completing the administration.

The continued operation of the debtor's business by the trustee, in the hope of selling to better advantage, has been found to result in many cases in heavy losses to estates, and notwithstanding the experience that has been gained in this regard there remains a strong tendency to engage in these operations. In many of these ventures the operations have had eventually to be abandoned owing to lack of funds and the remaining assets sold at auction. Cases have been noted in which immediate realization would have provided for the payment of a small dividend, and in which through operation losses nothing whatever has been left for the creditors. I have consistently advised trustees not to recommend the continuance of the business of a debtor unless there is a reasonable assurance of an early sale being made or that the business will not have to be operated at a loss. However, the prospect of ultimately disposing of the estate as a going concern is often sufficient to induce the creditors to take these risks without due consideration having been given to the elementary principles just mentioned.

An appreciable variation is noted in the length of time taken in different parts of the Dominion to wind up an estate. This is due, apparently, not only to different economic conditions but also, at least in part, to a different conception of credit values. Accounts receivable which would ordinarily be abandoned in Montreal or Toronto in a year or two appear to be regarded as collectable in the western provinces at the end of four or five years, and the estates are kept open as long as there is a possibility of further collections being made. In other words, there seems to be a greater desire in the central and eastern provinces to have the assets of the debtor promptly liquidated and disposed of, and for all concerned to begin over again.

The attention of trustees has been particularly directed to the necessity of a strict observance of the provisions of the Act with respect to the handling of estate funds. Section 50, which provides that "*the trustee shall deposit in a chartered bank the proceeds of the sale of the property of the estate . . . and all other moneys realized on account of any trust estate which he is administering under the Act. . . .*", clearly indicates the intention that a separate trust account shall be maintained in a chartered bank for each bankrupt estate, and that the maintenance of a "general" trust account, in which the funds of a number of estates are pooled, is not a proper compliance with these provisions. It was found during the past year that the general instructions given to trustees in this regard in May, 1933 (Circular Memorandum No. 1) had not been observed in all cases and corrective action had to be taken in those instances which came under observation.

The present supervisory system is designed to follow the progress of each estate from the time the assignment or receiving order is made through the various stages of the administration, to the final winding-up and discharge of the trustee and of the debtor. It is instrumental in securing in a reasonably prompt and business-like way the realization of the goods of the debtor and the distribution of the proceeds thereof among the creditors and, when this has been accomplished, a proper accounting by the trustee of his charge. The fulfilment of this latter duty—that of rendering to the court, to the creditors and to the debtor an account of their stewardship—was probably that most frequently omitted before the amendments of 1932 came into effect. In a fairly large number of estates, many trustees omitted to have their accounts examined by the court or to make application for their discharge. All that was done was to mail a final statement to the creditors but often this formality was also overlooked. In many such



cases the trustees were entirely inexperienced. In some of the larger centres, however, these same duties were being ignored by trustees who were well aware of their existence. Occasionally it would happen that, although the estate had been honestly administered, the trustee was left without the necessary funds with which to procure his discharge, but there were also cases in which the trustee did not dare present his accounts to the examination of a court official. Many gradations and degrees of negligence or dishonesty lay between these two extremes. In a few centres an abuse had arisen which had for its special field assignments in bankruptcy by wage-earners and salaried persons. In these cases a fee was collected from the assignor, the assignment was filed and gazetted, and the proceedings went no further. The debtor gained a brief respite, often illusory, the trustee gained his fee, and the creditors, to institute or continue an action, were put to the expense of obtaining the permission of the bankruptcy court.

Every effort has been made to curtail these practices since *The Bankruptcy Act Amendment, 1932*, came into effect. Trustees are now expected to carry forward the administration of their estates with due diligence, to pay interim dividends whenever possible, to complete the administration of estates with reasonable despatch and to proceed promptly to their discharge in all estates. To prevent undue delay in carrying out the duties imposed upon them by the Act, and to prevent personal losses on their part, I have consistently advised them not to accept appointments to estates in which there are no visible assets or in which the assets are insufficient to meet the bankruptcy costs, unless these are paid in advance or guaranteed by a responsible party. I am pleased to report that I have received the active and almost entire co-operation of the trustees in these matters.

One of the phases of bankruptcy administration to receive special attention during the year was that dealing with the applications of debtors for their discharge from bankruptcy, with regard to which a serious lack of uniformity was found to exist in various bankruptcy districts throughout the Dominion. Although not directly related to the actual administration of estates, the divergency from the prescribed procedure was found to be sufficiently serious to make it incumbent upon me to inquire into the matter. In some provinces the Registrar, in Bankruptcy, heard and disposed of all unopposed applications of debtors for a discharge, notwithstanding the provisions of bankruptcy rule 157(1) by which certain applications are deemed to be opposed applications within the meaning of section 159(1)(c), and accordingly could only be heard by a judge. As the error in procedure had arisen merely through a misconception of these provisions it has been found necessary, in order to correct the situation, only to bring the matter to the attention of the officials concerned. It may, however, be a matter of very serious concern to the large number of debtors who believe that they have been discharged but legally are still bankrupts.

It was also noted that in many bankruptcies settled by the debtors submitting proposals of composition, extension or scheme of arrangement, it had been assumed that the debtors were fully discharged without further formality, when the proposal had been accepted by the creditors and approved by the court and the terms thereof fulfilled. In each of these cases the trustees have been advised that approval and payment of the composition does not discharge the debtor and that in such cases, unless the composition order annuls the bankruptcy or authorized assignment in accordance with the provisions of section 19(5) it would be necessary that the debtor make an application to the court for his discharge in the usual way.

In some cases, also, the trustees believed themselves to be discharged from all further duties and obligations with respect to the estate on the approval by the court of a proposal of composition and fulfilment of the terms thereof. The trustees in these cases have been advised that such is not the case, and that it

is necessary for them to make application for their discharge in each estate in which they have acted as trustee, notice of the application having duly been given to each creditor and to the debtor as required.

#### (v) COMPLAINTS FROM CREDITORS AND OTHERS

During the year eighty-six complaints were received as compared with 105 received in 1934 and 134 received during the thirteen-month period ending December 31, 1933. Of the eighty-six complaints received in 1935 sixty-three related to estates under the administration of licensed trustees, and twenty-three to the administration by unlicensed trustees of estates in existence prior to December 1, 1932. These complaints, however, do not include the innumerable matters dealt with in the day to day routine of the office.

Most of the complaints received in 1935 deal with delays in the winding-up of estates and in the payment of claims. Few have been of a serious character, many were of minor importance or were found on investigation to be without real grounds. Creditors whose claims rank in priority to those of ordinary creditors often feel that they are entitled to payment no matter what the circumstances of the case may be, and it is difficult for them to understand that there are other claims which rank in priority to theirs. Numerous complaints of this kind are received from wage-earner creditors, many of whom are unemployed and who naturally feel that they should receive special consideration in the distribution of the proceeds of the estates. Unfortunately, so many secured and preferred claims are by statute allocated before the claims of wage-earners that the latter are frequently disappointed. It is only fair to say, however, that in many cases other preferred creditors such as municipal corporations and the provincial and Dominion authorities are willing to forego part of the amount of their claims in order that the wage-earner creditors may share in the distribution. The trustees of the estates invariably endeavour to bring about adjustments of this kind wherever possible.

Of the few serious complaints received one had reference to an estate in the hands of a trustee whose licence expired at the end of 1934 and which was then being definitely wound up. In the two other serious cases the trustees' licences were not renewed for 1936. As in previous years a number of letters were received from debtors complaining of unfair treatment and each of these cases was carefully investigated.

#### (vi) INVESTIGATIONS

Seven personal investigations were made by members of the staff during the year following the receipt of complaints from creditors and others. In one case the administration of an estate had become involved through the continued operation of the business by a former director under the supervision of the trustee. The intervention of this office resulted in the appointment of a new trustee who has taken the estate in hand with a view to its being wound up as soon as possible. Another investigation revealed the existence of very unsatisfactory conditions in the administration of an estate for which the trustee, whose licence has not been renewed, was found to be responsible. A third investigation disclosed certain irregularities in the collection of proofs of debt and proxies. These were reported to the Crown authorities and a prosecution resulted. An investigation was also made into the validity of certain administrative and legal costs in an estate. A reference to this matter has already been made on page 8. The three remaining investigations covered (1) an examination of the records and accounts of a trustee whose licence expired on December 31, 1934; (2) an inquiry into the relationship of a trustee with a company in liquidation, in connection with which he had been appointed liquidator, and (3) a preliminary inquiry into the delay in the winding up of a certain estate.



A number of miscellaneous matters of a general character were also investigated by the Superintendent or by members of his staff while on business outside of Ottawa. These were of lesser importance than the special investigations referred to above and need not be dealt with particularly. I would again express my appreciation of the assistance rendered by the officers and personnel of the Royal Canadian Mounted Police in the more important of these matters.

### 3. PROSECUTIONS IN BANKRUPTCY MATTERS

In the section of my report for 1934 on this subject fifty-three cases of offences in bankruptcy matters were discussed, all but eleven of which had then been closed. Forty-three additional cases, in most of which there are reasonable grounds for believing that offences have been committed and in all of which an investigation of some sort has been made, have since been reported. Thirty-three of these fifty-four cases have now been closed. In the remaining twenty-one proceedings are pending or contemplated, or the investigations are being continued.

The accused were brought to trial in seventeen of the thirty-three cases that have been closed. In two the criminal proceedings were dropped on restitution or a satisfactory settlement being made. In nine the investigations were not proceeded with for various reasons, principally because of insufficient evidence, lack of funds and reluctance of creditors to go to further expense. In five the accused escaped prosecution, temporarily at least, by absconding.

Convictions were obtained in ten of the seventeen cases brought to trial. In the remaining seven the accused were acquitted or the complaints were dismissed. In six of the cases in which convictions were obtained the accused were sentenced to terms of imprisonment varying from two months to one year (in four of these cases fines varying from two hundred to five hundred dollars were also imposed); in two the sentence of the court was suspended on partial restitution being made; fines were imposed in the two remaining cases. Appeals were entered against four of the above convictions but in each case the conviction was confirmed. No appeal against sentence was entered in any of the cases reported.

The difficulties encountered in bankruptcy prosecutions have been the subject of a special study during the year, the results of which have been summarized and published by a member of the staff in a paper entitled "Criminal Prosecutions in Bankruptcy Matters" which appeared in the April, 1936, number of the Canadian Bar Review. The proposed remedies therein considered are (1) the establishment and maintenance by the various trade associations of a central bureau for the investigation of bankruptcy offences and the prosecution of offenders; (2) the investigation and prosecution of bankruptcy offences by the proposed Director of Public Prosecutions to be appointed under *The Trade and Industry Commission Act, 1935*; (3) the extension of the duties of the Superintendent of Bankruptcy to include the investigation and prosecution of bankruptcy offences. In view of the interest taken in this subject by Boards of Trade, Chambers of Commerce, trade associations and other creditor organizations, all of whom appear to be unanimous in their opinion that the present method of dealing with bankruptcy offences is not satisfactory, consideration of this subject is entitled to serious study to find a remedy therefor.

### 4. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Sixty-one assignments were made by farmers under this Act during the period September 31-December 31, 1934, and two hundred and eighty-five were made during 1935, bringing the total number of assignments for the sixteen month period ending December 31, 1935, to 346. In addition, two receiving orders were made against farmers in 1935. Assignments were made only in those cases in which the farmers were hopelessly insolvent and in many cases



the assignments followed the rejection of proposals submitted to the creditors. Receiving orders are made only in cases in which the farmers have failed to fulfil the terms of their proposals as accepted by the creditors and approved by the court.

These 348 estates represented liabilities and assets as estimated by the farmers of \$3,062,787 and \$1,581,505 respectively. Of the 348 farmers who assigned or were adjudged bankrupt 102 had made application for their discharges from bankruptcy by the end of December, 1935. Eighty of these applications were granted unconditionally, one was denied, one was suspended for a period of one year, two were granted on condition that certain payments be made to unsecured creditors, and eighteen had not been disposed of at the close of the period. Two prosecutions were instituted against farmers who had failed to disclose all of their assets. In the first case the charges were dismissed as there was some doubt that the accused understood the questions put to him by the Official Receiver. In the second case the accused was convicted and fined in the sum of \$25.00 and costs or two months' imprisonment. In both cases the assets which had not been disclosed were brought into the estates.

Of the 348 estates under administration during this period ninety-four were completely administered and the trustees released by December 31, 1935. The total liabilities and assets for these ninety-four cases, as estimated by the farmers on their statements of affairs, amounted to \$729,202.51 and \$352,029.75 respectively. In all but a few cases the land was repossessed by the mortgagees or other secured creditors. In many cases all the available chattels, over and above the farmers' statutory exemptions, were also turned over to secured creditors. Receipts from the sale of assets over and above the statutory exemptions of the farmers amounted to \$20,041.17 of which the sum of \$18,311.91 was paid to creditors on account of their claims. Secured and preferred creditors received \$15,560.16; ordinary creditors received \$2,751.75. The balance of \$1,729.26 is accounted for as follows: trustees' disbursements, \$1,606.43; levy, \$87.73; refunds and undistributed assets, \$35.10. In quite a number of these estates in which there were no assets and consequently no realization the trustees' disbursements were paid by the Department. These additional costs came to \$689.13, bringing the total of the trustees' disbursements for these ninety-four estates to \$2,295.56 or an average of \$24.42 for all estates. It should be noted that this sum of \$2,295.56 represents merely the actual disbursements incurred by the trustees in the administration of the estates, such as court fees, postage on notices, fees of inspectors, and travelling expenses. To these relatively small and incidental disbursements must be added the portion of the salaries of the official receiver-trustees for the time spent by them on these assignments, as well as the cost of their office accommodation, stenographic assistance and stationery, all of which was paid by the Department to the end of December, 1935, from the appropriation provided for the administration of the Farmers' Creditors Arrangement Act.

These figures have no reference to the large number of proposals made by farmers under the Act during this period of which the documents in 14,429 cases have been received and recorded as required by the Act. By close co-operation these files have been made available to the official of the department immediately in charge of the administration of the Act for all necessary purposes.

#### 5. REVENUE AND EXPENDITURES

Detailed statements of the monthly revenues and of expenditures during 1935 are given below.

There has been a substantial decrease in the amount of the levy received in 1935 compared with the receipts from the same source which in 1934 amounted to \$26,728.73. This has been due principally to the fact that a considerable proportion of the levy in 1934 was received from estates in existence prior to

December 1, 1932, a large number of which were closed in 1934; it is also due to the smaller number of estates closed in 1935 as well as to the relatively smaller realization during this year from the assets of estates. The moderate net deficit resulting from this year's operations is fully covered by the surpluses accrued in 1933 and 1934.

## STATEMENT OF REVENUE—CALENDAR YEAR 1935

1935	Licence Fees	Levy	Totals
	\$ cts.	\$ cts.	\$ cts.
January.....	347 50	1,350 61	1,698 11
February.....	95 00	1,748 03	1,843 03
March.....	25 00	1,171 61	1,196 61
April.....	35 00	1,735 19	1,770 19
May.....	115 00	1,104 55	1,219 55
June.....	15 00	1,738 07	1,753 07
July.....	150 00	1,990 50	2,140 50
August.....	25 00	828 53	853 53
September.....	Nil	973 01	973 01
October.....	1,150 00	1,458 31	2,608 31
November.....	4,560 00	1,232 77	5,792 77
December.....	382 50	999 84	1,382 34
	6,900 00	16,331 02	23,231 02

## STATEMENT OF EXPENDITURE—CALENDAR YEAR 1935

Salaries.....	\$ 23,460 36
Printing and Stationery.....	821 86
Travelling.....	351 93
Rent and Maintenance.....	1,929 35
Sundries.....	440 83
Total.....	\$ 27,004 33





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THE SUPERINTENDENT OF BANKRUPTCY

PART I

BANKRUPTCIES REPORTED IN 1935

TABLE I.—NEW BANKRUPTCIES REPORTED

N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
36	35	4	303	490	203	82	31	23	22	34	1,263

BANKRUPTCIES IN EXISTENCE PRIOR TO 1ST DECEMBER, 1932 (OLD ESTATES) REPORTED

N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
16	4	0	71	71	53	21	4	25	63	15	343

TOTAL OF ALL BANKRUPTCIES REPORTED

N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
52	39	4	374	561	256	103	35	48	85	49	1,606

TABLE II.—NEW BANKRUPTCIES REPORTED IN 1935

—	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
January.....	4	1	0	32	59	19	7	5	1	0	1	129
February.....	2	3	1	31	46	14	7	9	2	3	4	122
March.....	3	1	1	30	37	17	10	1	3	1	0	104
April.....	5	3	0	21	41	23	9	2	4	5	6	119
May.....	3	1	1	36	32	15	2	1	4	2	4	101
June.....	2	4	0	18	33	13	11	3	1	2	2	89
July.....	1	4	0	22	39	15	5	0	4	4	2	96
August.....	4	5	0	29	35	23	7	2	1	0	1	107
September.....	2	4	0	19	36	17	5	2	1	0	4	90
October.....	5	4	0	23	38	12	7	3	0	1	2	95
November.....	3	4	1	21	52	17	8	2	0	2	5	115
December.....	2	1	0	21	42	18	4	1	2	2	3	96
Total.....	36	35	4	303	490	203	82	31	23	22	34	1,263

TABLE III.—COMPARISON OF THE NUMBER OF ASSIGNMENTS AND RECEIVING ORDERS IN REGARD TO THE TOTAL NUMBER OF BANKRUPTCIES

Province or City	Assignments		Receiving Orders		Totals	
	Number	Per cent	Number	Per cent	Number	Per cent
Nova Scotia.....	29	80.6	7	19.4	36	100
New Brunswick.....	31	88.6	4	11.4	35	100
Prince Edward Island.....	4	100	0	0	4	100
Quebec.....	271	89.4	32	10.6	303	100
Montreal.....	412	84.1	78	15.9	490	100
Ontario.....	175	86.2	28	13.8	203	100
Toronto.....	57	69.5	25	30.5	82	100
Manitoba.....	28	90.3	3	9.7	31	100
Saskatchewan.....	18	78.3	5	21.7	23	100
Alberta.....	15	68.2	7	31.8	22	100
British Columbia.....	26	76.5	8	23.5	34	100
Total.....	1,066	84.4	197	15.6	1,263	100

TABLE IV—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES FOR ALL NEW ESTATES REPORTED IN 1935

Province or City	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
Nova Scotia.....	36	326,552	358,407	9,071	9,955
New Brunswick.....	35	269,316	445,324	7,695	12,724
Prince Edward Island.....	4	46,496	38,310	11,624	9,577
Quebec.....	303	6,874,025	7,487,801	22,687	24,712
Montreal.....	490	7,556,857	10,013,177	15,422	20,435
Ontario.....	203	3,636,243	4,453,177	17,913	21,937
Toronto.....	82	3,513,460	2,603,337	42,847	31,748
Manitoba.....	31	302,740	431,466	9,766	13,918
Saskatchewan.....	23	121,470	202,664	5,281	8,811
Alberta.....	22	203,667	262,601	9,258	11,936
British Columbia.....	34	713,858	1,385,515	20,996	40,750
Total.....	1,263	23,564,684	27,681,779	18,658	21,917

## PART II

## ESTATES COMPLETELY ADMINISTERED IN 1935

TABLE V.—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES FOR ALL NEW ESTATES CLOSED IN 1935

Province or City	Number of Estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
Nova Scotia.....	32	184,836	252,428	5,776	7,888
New Brunswick.....	25	159,361	256,135	6,374	10,245
Prince Edward Island.....	7	52,066	65,333	7,438	9,333
Quebec.....	339	4,418,316	7,194,471	13,033	21,223
Montreal.....	377	4,276,142	5,490,181	11,343	14,563
Ontario.....	203	2,253,278	2,601,727	11,100	12,816
Toronto.....	92	1,673,004	2,109,828	18,185	22,933
Manitoba.....	32	179,657	282,730	5,614	8,835
Saskatchewan.....	36	351,127	365,329	9,754	10,148
Alberta.....	20	195,106	201,631	9,755	10,082
British Columbia.....	35	296,954	582,678	8,484	16,648
Total.....	1,198	14,039,847	19,402,471	11,719	16,196

TABLE VI.—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION

Province or City	Number of Estates	Gross Receipts		Net receipts from operations		Total Realization		Total cost of adminis- tration	
		\$	cts.	\$	cts.	\$	cts.	\$	cts.
Nova Scotia.....	32	48,964	65	903	12	49,867	77	12,294	66
New Brunswick.....	25	52,583	59			52,583	59	12,288	98
Prince Edward Island.....	7	6,856	00			6,856	00	2,453	06
Quebec.....	339	853,022	99	3,992	88	857,015	87	251,149	30
Montreal.....	377	720,287	07	8,847	12	729,134	19	205,837	21
Ontario.....	203	450,865	26	3,185	76	454,051	02	122,176	05
Toronto.....	92	360,751	70	14,060	54	374,812	24	87,884	73
Manitoba.....	32	46,089	29			46,089	29	15,713	86
Saskatchewan.....	36	106,632	73	404	29	107,037	02	27,181	62
Alberta.....	20	25,431	33	570	00*	24,861	33	9,078	28
British Columbia.....	35	92,596	24	2,104	44	94,700	68	17,559	65
Total.....	1,198	2,764,080	85	32,928	15	2,797,009	00	763,617	40

\* Deficit.



TABLE VII.—ANALYSIS OF ADMINISTRATIVE COSTS

Province or City	Number of estates	Average Net Realization and Cost of Administration			Average Cost per Estate					
		Average realization	Average cost of adminis- tration		Custodian	Trustee	Legal	Levy	Less Trustee's net deficit	Net cost of adminis- tration
		\$ cts. (a) 1,558 37	\$ cts. 384 21	Percentage cost of adminis- tration %	\$ cts. 67 08	\$ cts. 259 97	\$ cts. 53 91	\$ cts. 5 95	\$ cts. 2 71	\$ cts. 384 21
Nova Scotia.....	32			24.66						
New Brunswick.....	25	2,103 34	491 56	23.37	94 48	329 24	74 29	8 08	14 53	491 56
Prince Edward Island.....	7	979 43	350 44	35.78	58 97	195 15	102 72	3 16	9 57	350 44
Quebec.....	339	2,528 07	740 85	29.31	138 29	433 85	173 37	8 65	13 30	740 85
Montreal.....	377	1,934 04	545 98	28.23	108 62	341 03	103 19	7 30	14 16	545 98
Ontario.....	203	2,236 70	601 85	26.91	112 54	367 14	121 52	7 75	7 10	601 85
Toronto.....	92	4,074 04	955 27	23.45	167 97	579 94	202 08	14 90	9 62	955 27
Manitoba.....	32	1,440 28	491 06	34.10	148 90	290 74	48 42	4 67	1 66	491 06
Saskatchewan.....	36	2,973 25	755 05	25.40	210 54	401 44	133 09	11 16	1 19	755 05
Alberta.....	20	1,243 07	453 91	36.52	115 69	254 87	92 56	4 04	13 25	453 91
British Columbia.....	35	2,705 73	501 70	18.54	99 43	323 66	74 36	11 13	6 87	501 70
	1,198	2,334 73	637 41	27.30	124 53	385 33	130 24	8 40	11 09	637 41

(a) Based on the realization of assets.

TABLE VIII.—SUMMARY OF TOTAL ADMINISTRATIVE COSTS

Province or City	Num- ber of estates	Custodian	Trustee	Legal	Levy	Less net deficit	Net cost of adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	32	2,146 41	8,319 19	1,725 25	190 39	86 58	12,294 66
New Brunswick...	25	2,362 09	8,230 95	1,857 32	201 96	363 34	12,288 98
Prince Edward Id.	7	412 80	1,366 04	719 05	22 13	66 96	2,453 06
Quebec.....	339	46,880 98	147,074 75	58,771 85	2,932 06	4,510 34	251,149 30
Montreal.....	377	40,948 50	128,569 25	38,902 20	2,753 74	5,336 48	205,837 21
Ontario.....	203	22,845 93	74,529 25	24,668 92	1,573 80	1,441 85	122,176 05
Toronto.....	92	15,453 36	53,354 06	18,591 64	1,370 73	885 06	87,884 73
Manitoba.....	32	4,764 77	9,303 69	1,549 37	149 30	53 27	15,713 86
Saskatchewan....	36	7,579 60	14,451 96	4,791 30	401 68	42 92	27,181 62
Alberta.....	20	2,313 83	5,097 47	1,851 18	80 75	264 95	9,078 28
British Columbia..	35	3,480 10	11,328 00	2,602 55	389 50	240 50	17,559 65
Total.....	1,198	149,188 37	461,624 61	156,030 63	10,066 04	13,292 25	763,617 40

TABLE IX.—ANALYTICAL STATEMENT SHOWING TOTAL OF ALL ITEMS OF RECEIPTS AND DISBURSEMENTS FOR ALL NEW ESTATES CLOSED (1,198) AND AVERAGE FOR EACH ITEM

	Total		Average	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
RECEIPTS				
Gross receipts.....	2,764,080 85		2,307 25	
Net receipts from operations.....	32,928 15		27 49	
Total realization.....		2,797,009 00		2,334 74
DISBURSEMENTS				
Custodian—				
Fees of Official Receiver.....	19,438 68		16 22	
Advertising.....	22,850 17		19 07	
Notices to creditors.....	15,173 74		12 67	
Postage.....	7,160 16		5 98	
Possession and stocktaking.....	55,448 77		46 30	
Bond and insurance premiums.....	9,989 34		8 33	
Miscellaneous.....	19,127 51		15 96	
Total custodian.....		149,188 37		124 53
Trustee—				
Advertising.....	22,650 78		18 91	
Bond and insurance premiums.....	27,349 54		22 83	
Auctioneer.....	11,348 34		9 47	
Notices to creditors.....	25,084 73		20 94	
Postage.....	13,750 22		11 48	
Registrar's fees.....	24,437 80		20 39	
Inspectors' fees and disbursements.....	32,682 12		27 28	
Trustee's remuneration.....	195,219 31		162 96	
Miscellaneous.....	109,101 77		91 07	
Total Trustee.....		461,624 61		385 33
Legal—				
On petition or assignment.....	52,549 53		43 87	
Solicitor to estate.....	98,486 06		82 21	
Awarded against trustee.....	4,995 04		4 17	
Total Legal.....		156,030 63		130 25
Levy.....		10,066 04		8 40
Less trustee's deficits over residue.....		776,909 65 13,292 25		648 51 11 10
Net cost of administration.....		763,617 40		637 41
Exemptions allowed debtor.....		12,524 09		10 46
Secured creditors.....	453,906 29*		378 89	
Preferred creditors.....	580,540 89		484 59	
Ordinary creditors.....	986,420 33		823 39	
Total paid to creditors.....		2,020,867 51		1,686 87
Total payments.....		2,797,009 00		2,334 74

\* In addition, secured creditors have also realized directly upon their securities in the amount of \$5,208,382 (or an average of \$4,347.56 per estate).

## THE SUPERINTENDENT OF BANKRUPTCY

TABLE X.—ANALYTICAL STATEMENT SHOWING AVERAGE OF ALL ITEMS OF RECEIPTS AND DISBURSEMENTS FOR ALL NEW ESTATES CLOSED

COMPARATIVE STATEMENT FOR THE YEARS 1933, 1934 AND 1935

	1933		1934		1935	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<b>RECEIPTS</b>						
Gross receipts.....	2,114 21		2,294 09		2,307 25	
Net receipts from operations.....	97 57		52 20		27 49	
Total realization.....		2,211 78		2,346 29		2,334 74
<b>DISBURSEMENTS</b>						
<i>Custodian—</i>						
Fees of Official Receiver.....	14 63		15 73		16 22	
Advertising.....	19 04		18 38		19 07	
Notices to creditors.....	11 15		10 87		12 67	
Postage.....	4 24		5 14		5 98	
Possession and Stocktaking.....	42 08		42 15		46 30	
Bond and insurance premiums.....	7 44		7 78		8 33	
Miscellaneous.....	16 68		10 59		15 96	
Total Custodian.....		115 26		110 64		124 53
<i>Trustee—</i>						
Advertising.....	15 72		18 08		18 91	
Bond and insurance premiums.....	14 25		21 31		22 83	
Auctioneer.....	11 03		10 22		9 47	
Notices to creditors.....	19 60		18 94		20 94	
Postage.....	8 23		9 68		11 48	
Registrar's fees.....	22 42		19 94		20 39	
Inspectors' fees and disbursements.....	22 55		23 42		27 28	
Trustee's remuneration.....	132 44		139 96		162 96	
Miscellaneous.....	56 24		75 21		91 07	
Total Trustee.....		302 48		336 76		385 33
<i>Legal—</i>						
On petition or assignment.....	28 34		38 04		43 87	
Solicitor to estate.....	52 31		60 40		82 21	
Awarded against trustee.....	1 36		1 52		4 17	
Total Legal.....		82 01		99 96		130 25
Levy.....		8 14		7 99		8 40
Total disbursements.....		507 89		555 35		648 51
Less trustee's deficits over residue.....		9 26		11 65		11 10
Net cost of administration.....		498 63		543 70		637 41
Exemptions allowed debtor.....		7 98		7 51		10 46
Secured creditors.....	359 44		483 16		378 89	
Preferred creditors.....	575 03		502 17		484 59	
Ordinary creditors.....	770 70		809 75		823 39	
Total paid to creditors.....		1,705 17		1,795 08		1,686 87
Total payments.....		2,211 78		2,346 29		2,334 74



PART III

COMPARATIVE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

TABLE XI.—CLASSIFICATION OF ESTATES ACCORDING TO SIZE

Province or City	\$500 or under	\$501–1,000	\$1,001–2,500	\$2,501–5,000	\$5,001–10,000	Over \$10,000	Total
Nova Scotia.....	14	6	9	2	.....	1	32
New Brunswick.....	12	5	4	2	.....	2	25
Prince Edward Island.....	3	.....	3	1	.....	.....	7
Quebec.....	124	67	67	39	25	17	339
Montreal.....	190	70	70	19	11	17	377
Ontario.....	71	42	43	26	14	7	203
Toronto.....	28	15	22	11	8	8	92
Manitoba.....	10	7	8	6	1	.....	32
Saskatchewan.....	7	8	9	5	4	3	36
Alberta.....	12	2	2	3	1	.....	20
British Columbia.....	11	6	6	7	3	2	35
Total.....	482	228	243	121	67	57	1,198
Percentage.....	40.24	19.03	20.28	10.10	5.59	4.76	100.00

TABLE XII. (1)—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

ESTATES OF \$500 OR LESS

Province or City	Number of Estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	14	2,901	2,054	207 21	146 71
New Brunswick.....	12	3,049	1,961	254 08	163 42
Prince Edward Island.....	3	669	540	223 00	180 00
Quebec.....	124	32,279	27,572	260 31	222 35
Montreal.....	190	41,001	35,940	215 79	189 16
Ontario.....	71	15,847	13,371	223 20	188 32
Toronto.....	28	5,799	4,470	207 11	159 64
Manitoba.....	10	2,491	2,213	249 10	221 30
Saskatchewan.....	7	1,971	1,497	281 57	213 86
Alberta.....	12	2,795	2,054	232 92	171 17
British Columbia.....	11	1,428	1,264	129 82	114 91
Total.....	482	110,230	92,936	228 69	192 81

Average percentage cost of administration, 84.31%.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE XII (2).—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of Estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	6	3,828	1,674	638 00	279 00
New Brunswick.....	5	3,532	2,037	706 40	407 40
Prince Edward Island.....	0				
Quebec.....	67	49,525	27,394	739 18	408 87
Montreal.....	70	49,867	28,168	712 39	402 40
Ontario.....	42	30,684	14,341	730 57	341 45
Toronto.....	15	10,218	6,017	681 20	401 13
Manitoba.....	7	5,236	2,523	748 00	360 43
Saskatchewan.....	8	5,558	2,756	694 75	344 50
Alberta.....	2	1,399	773	699 50	386 50
British Columbia.....	6	4,651	1,748	775 17	291 33
Total.....	228	164,498	87,431	721 48	383 47

Average percentage cost of administration, 53·15%.

TABLE XII (3).—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of Estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	9	15,463	3,939	1,718 11	437 67
New Brunswick.....	4	5,494	1,824	1,373 50	456 00
Prince Edward Island.....	3	3,512	1,149	1,170 67	383 00
Quebec.....	67	110,172	44,208	1,644 36	659 82
Montreal.....	70	109,435	43,647	1,563 36	623 53
Ontario.....	43	66,207	26,038	1,539 70	605 53
Toronto.....	22	37,049	12,340	1,684 05	560 91
Manitoba.....	8	11,121	3,419	1,390 12	427 37
Saskatchewan.....	9	14,265	4,097	1,585 00	455 22
Alberta.....	2	3,006	714	1,503 00	357 00
British Columbia.....	6	9,279	2,425	1,546 50	404 16
Total.....	243	385,003	143,800	1,584 37	591 77

Average percentage cost of administration, 37·35%.

TABLE XII (4).—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE  
ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of Estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	2	8,116	1,216	4,058 00	608 00
New Brunswick.....	2	6,484	1,938	3,242 00	969 00
Prince Edward Island.....	1	2,675	764	2,675 00	764 00
Quebec.....	39	138,418	36,574	3,549 18	937 79
Montreal.....	19	69,901	17,873	3,679 00	940 68
Ontario.....	26	88,351	26,017	3,398 12	1,000 65
Toronto.....	11	47,159	14,109	4,287 18	1,282 64
Manitoba.....	6	21,215	5,862	3,535 83	977 00
Saskatchewan.....	5	15,557	3,281	3,111 40	656 20
Alberta.....	3	11,341	3,737	3,780 33	1,245 66
British Columbia.....	7	28,717	5,541	4,102 43	791 57
Total.....	121	437,934	116,912	3,619 29	966 21

Average percentage cost of administration, 26·70%.

TABLE XII (5).—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of Estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	0				
New Brunswick.....	0				
Prince Edward Island.....	0				
Quebec.....	25	182,921	34,371	7,316 84	1,374 84
Montreal.....	11	75,677	20,775	6,879 73	1,888 64
Ontario.....	14	94,505	24,649	6,750 36	1,760 64
Toronto.....	8	56,477	14,203	7,059 62	1,775 37
Manitoba.....	1	6,026	1,697	6,026 00	1,697 00
Saskatchewan.....	4	31,923	8,298	7,980 75	2,074 50
Alberta.....	1	6,320	1,800	6,320 00	1,800 00
British Columbia.....	3	19,662	3,488	6,554 00	1,162 67
Total.....	67	473,511	109,281	7,067 33	1,631 06

Average percentage cost of administration, 23.08%.

TABLE XII (6).—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

ESTATES OVER \$10,000

Province or City	Number of Estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	1	19,560	3,412	19,560 00	3,412 00
New Brunswick.....	2	34,024	4,529	17,012 00	2,264 50
Prince Edward Island.....	0				
Quebec.....	17	343,701	81,030	20,217 71	4,766 47
Montreal.....	17	383,254	59,433	22,544 35	3,496 06
Ontario.....	7	158,457	17,760	22,636 71	2,537 14
Toronto.....	8	218,111	36,746	27,263 87	4,593 25
Manitoba.....	0				
Saskatchewan.....	3	37,763	7,253	12,587 67	2,417 67
Alberta.....	0				
British Columbia.....	2	30,963	3,094	15,481 50	1,547 00
Total.....	57	1,225,833	213,257	21,505 84	3,741 35

Average percentage cost of administration, 17.40%.

TABLE XIII.—RECAPITULATION OF COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estate	Number of Estates	Total realization	Cost of administration	Average realization	Average cost of administration	Percentage cost of administration
		\$	\$	\$ cts.	\$ cts.	Per cent
\$500 or under.....	482	110,230	92,936	228 69	192 81	84.31
\$501 - \$1,000.....	228	164,498	87,431	721 48	383 47	53.15
\$1,001 - \$2,500.....	243	385,003	143,800	1,584 37	591 77	37.35
\$2,501 - \$5,000.....	121	437,934	116,912	3,619 29	966 21	26.70
\$5,001 - \$10,000.....	67	473,511	109,281	7,067 33	1,631 06	23.08
Over \$10,000.....	57	1,225,833	213,257	21,505 84	3,741 35	17.40
Total.....	1,198	2,797,009	763,617	2,334 73	637 41	27.30



TABLE XIV.—PERCENTAGE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Province or City	\$500 or under	\$501–\$1,000	\$1,001–\$2,500	\$2,501–\$5,000	\$5,001–\$10,000	Over \$10,000	All Estates
	%	%	%	%	%	%	%
Nova Scotia.....	70·81	43·73	25·47	14·98	.....	17·44	24·66
New Brunswick.....	64·32	57·67	33·20	29·89	.....	13·31	23·37
Prince Edward Island.....	80·72	.....	32·72	28·56	.....	.....	35·78
Quebec.....	85·42	55·31	40·13	26·42	18·79	23·58	29·31
Montreal.....	87·66	56·49	39·88	25·57	27·45	15·51	28·23
Ontario.....	84·38	46·74	39·33	29·45	26·08	11·21	26·91
Toronto.....	77·08	58·89	33·31	29·92	25·14	16·85	23·45
Manitoba.....	88·84	48·19	30·74	27·63	28·16	.....	34·10
Saskatchewan.....	75·95	49·59	28·72	21·09	25·99	19·21	25·40
Alberta.....	73·49	55·25	23·75	32·95	28·48	.....	36·52
British Columbia.....	88·52	37·58	26·13	19·30	17·74	9·99	18·54
Average percentage cost for Canada.....	84·31	53·15	37·35	26·70	23·08	17·40	27·30

PART IV

OLD ESTATES CLOSED IN 1935

TABLE XV.—OLD ESTATES CLOSED IN 1935

REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Amount of realization	Number of Estates	Total realization	Cost of administration
		\$	\$
\$500 or under.....	130	32,415	28,852
\$501 – \$1,000.....	59	43,314	28,538
\$1,001 – \$2,500.....	82	134,915	61,140
\$2,501 – \$5,000.....	59	206,820	79,023
\$5,001 – \$10,000.....	42	293,212	98,610
Over \$10,000.....	56	1,973,829	435,349
	428	2,684,505	731,512

Amount of realization	Average realization	Average cost of administration	Percentage cost of administration
	\$ cts.	\$ cts.	Per cent
\$500 or under.....	249 25	221 94	89·0
\$501 – \$1,000.....	734 14	483 69	65·9
\$1,001 – \$2,500.....	1,645 30	745 61	45·3
\$2,501 – \$5,000.....	3,505 42	1,339 37	38·2
\$5,001 – \$10,000.....	6,981 24	2,347 86	33·6
Over \$10,000.....	35,246 95	7,774 09	22·1
	6,272 21	1,709 14	27·2

PART V

MISCELLANEOUS INFORMATION

TABLE XVI.—BANKRUPTCIES SETTLED BY PROPOSALS OF COMPOSITION, EXTENSION, OR SCHEME OF ARRANGEMENT

	Number		Number
Nova Scotia.....	0	Toronto.....	1
New Brunswick.....	1	Manitoba.....	0
Prince Edward Island.....	0	Saskatchewan.....	2
Quebec.....	33	Alberta.....	0
Montreal.....	27	British Columbia.....	0
Ontario.....	3	Total.....	67

TABLE XVII.—APPLICATIONS OF DEBTORS FOR THEIR DISCHARGE FROM BANKRUPTCY DEALT WITH IN 1935

Province or City	Number of applications heard	Unconditional	Suspended for 1 year or less	Suspended for more than 1 year	Other conditional discharges	Applications refused
Nova Scotia.....	5	4	1	0	0	0
New Brunswick.....	0	0	0	0	0	0
Prince Edward Island.....	1	0	1	0	0	0
Quebec.....	91	83	5	3	0	0
Montreal.....	113	44	49	14	5	1
Ontario.....	29	28	1	0	0	0
Toronto.....	10	7	2	1	0	0
Manitoba.....	11	11	0	0	0	0
Saskatchewan.....	6	4	1	0	0	1
Alberta.....	4	3	0	0	1	0
British Columbia.....	2	2	0	0	0	0
Total.....	272	186	60	18	6	2

TABLE XVIII.—OCCUPATIONS, BUSINESSES OR PROFESSIONS OF DEBTORS

	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
<b>MANUFACTURE AND INDUSTRY—</b>												
Lumber and woodworking.....	2	2		5	1	8	3		1		7	29
Mining.....	2			1	2	1	5	1		1	1	14
Fox farming.....	1			1	1							3
Food products.....				4	10	1	2				1	18
Furniture.....				2	2	2	3					9
Shoes and leather goods.....				3	4		2					9
Rubber.....				1	1							2
Clothing.....					23	1	8	1				33
Textile.....					1	3	2					6
Auto supplies.....					2							2
Drugs.....					2							2
Toys.....						2						2
Brass and Iron Works.....						2						2
Printing.....	1				9	2	2	1				15
Miscellaneous.....				2	8	2	9	1			2	24
Total.....	6	2		19	66	24	36	4	1	1	11	170
<b>TRADE—</b>												
Fuels.....	1	2		2	12	4	5	2		1		29
Dry goods.....	4	7		30	61	27	10	6	3	2	2	152
Food products.....	11	6	3	77	100	48	3	2	4	3	5	262
Garage and auto supplies.....	1	1		14	11	8	2	2		3	2	44
General merchants.....	4	8	1	45	7	15	1	6	3	3	1	94
Footwear.....	1	1		4	9	1	2	1	2	1		22
Furs.....				1								1
Hardware.....	2	1		6	9	2	1	2	2			25
Furniture.....	1			3	3	9	1					17
Druggists.....	2			3	8	4		1	3	2	1	24
Electric supplies.....				4	1	2						7
Plumbing supplies.....				5	1	4	1		1			12
Tobacco and Stationery.....				5	7	4	2					18
Jeweller.....				4	6	2	1		1		1	15
Florist.....					6	5	1					12
Total.....	27	26	4	203	241	135	30	22	19	15	12	734
<b>OTHERS—</b>												
Transportation.....				3	1		1					5
Finance.....	1			3	10	4	7	1	1		1	28
Service:												
Professional.....				7	11		1		1		1	21
Business.....					1	1	1					3
Recreational.....						2						2
Personal.....				1	1		1					3
Laundry.....					5							5
Hotel.....		1		20	2	2	1				2	28
Construction.....	1			9	18	10	2	2			1	43
Wage earners.....	1	6		35	120	22	2	2	1	3	3	195
Miscellaneous.....				3	14	3				3	3	26
Total.....	3	7		81	183	44	16	5	3	6	11	359



## CIRCULAR MEMORANDUM No. 6

*To Official Receivers and Trustees in Bankruptcy*

The following comment and suggestion has been received recently from the Honourable Mr. Justice Boyer of the Superior Court in Montreal, the judge especially assigned to exercise jurisdiction in Bankruptcy matters by the Honourable the Chief Justice of the Superior Court of the Province of Quebec, pursuant to Section 156 of the Bankruptcy Act:—

In connection with discharges, I notice that the reports of the trustees are often unsatisfactory in so far as they do not give any information as to whether or not there have been offences against the Act (section 191), and as to the facts (section 143) which justify the Court to refuse an unconditional order, the whole as required by Form 73, paragraph 7, sub-paragraphs b, c, and d.

In many cases also, the debtor has not been examined before the Receiver and no copy of the examination is filed.

It might be useful that a circular letter should be sent them on your part, insisting upon their complying with the Act in this respect.

The attention of trustees is accordingly directed to the provisions of section 141 (4) and (5) and to Form No. 73 of the Bankruptcy Act. Form No. 73 should be completed accurately and fully in every detail in each case, particularly with respect to any acts of the debtor or any facts which under Sections 142 (2) and 143 would affect his discharge. Trustees must not forget that the duty is imposed on them of including in their reports all relevant facts, no matter how prejudicial these facts may be to debtors, as the Court must rely implicitly on the trustee's report not only as *prima facie* evidence of the statements contained therein but also as to all the facts which ought to be brought to the knowledge of the Court.

Some trustees appear to adopt the attitude that if the report cannot be helpful to the debtor they should not at least report anything to his disadvantage, and so they omit to refer to any of the facts mentioned in Section 143, or to the penal offences referred to in Section 142 (2) as described in Sections 191, 192 and 193, or in the analogous provisions of the Criminal Code. It is not for the trustee to set up his opinion as to what facts should be included in the report. He must state all the facts and it is then for the Court to determine what consideration shall be given to them. For instance, some trustees seem to think that an acquittal by the Court or a jury relieves them of the responsibility of making any reference to the evidence on which a prosecution may have been based. This is an entirely mistaken idea as it is their duty notwithstanding an acquittal to include all such facts because facts which may not warrant a conviction for a penal offence might well, when combined with other facts not in evidence on the trial, have a very different significance to a judge in arriving at a decision on a debtor's application. Trustees must be absolutely independent and their reports made without fear or favour. So long as the facts stated are made in good faith, without malice and with an honest belief in the truth thereof after a reasonable investigation, the report is privileged. The co-operation of all trustees in making these reports as complete and as informative as possible is accordingly requested.

## EXAMINATION OF DEBTORS BY OFFICIAL RECEIVERS

The attention of Official Receivers particularly, and of trustees as well, is also directed to the comment of the Honourable Mr. Justice Boyer respecting the examination of debtors by the Official Receiver. The practice of Form No. 50 being completed and filed merely as a matter of form is not sufficient for the purposes of the Act. The relevant sections of the Act are as follows:—

128. Where a receiving order or an authorized assignment is made, the bankrupt or assignor shall present himself before the Official Receiver who shall examine him as to the causes of his insolvency and the disposition of his assets, and shall put to him the questions provided by the General Rules or questions to the like effect.



2. The Official Receiver shall make notes of such examination and shall communicate them to the creditors at their first meeting.

3. If the bankrupt or assignor fails to present himself for such examination within three days from the making of the receiving order or the filing of the assignment, the court may by warrant cause him to be apprehended and brought up for examination, and may order him to be committed to the common gaol of the judicial district in which he resides for a term not exceeding twelve months.

133. Whenever the bankrupt or authorized assignor is a corporation, the officer executing the assignment or such other officer or officers as the Official Receiver shall direct, shall present himself before the Official Receiver for examination under section one hundred and twenty-eight, and, in case of failure to perform such duty, such officer shall be punishable as if he were the debtor.

Section 138 and Bankruptcy Rules 46, 47, 48, 49, 85 and 110, all of which contain further provisions concerning the matter, should also be carefully noted and followed.

The purpose of a thorough examination of the debtor cannot be better explained than as given in a recent address by V. R. Jones, Esq., Official Receiver at the City of Calgary, whose comprehensive survey of the need of these provisions of the Act being more closely followed leaves little to be added thereto. Mr. Jones' experience in these matters makes the following remarks of particular value and, with his permission, they are quoted in full:—

It would be of interest to you if I told you how I came to adopt the procedure which I follow as official receiver and the reasons which prompted me to deviate from what I understand is the usual practice of official receivers in Canada.

When I took office I found that the practice existing was similar to that of most other official receivers in Canada, so far as I have been able to ascertain. The practice was to call the debtor into a private office some time prior to the first meeting of creditors, to read to him the questions set forth in Form 50 and, generally speaking, to accept his answers without any real attempt at cross-examination; to insert a short summary of them opposite the questions and leave it to the creditors to ask further questions at the meeting if they so desired. At the beginning I followed this practice. I don't know how many of you have ever read or seen Form 50. It consists of a number of questions for the debtor to answer. The questions are worded in a very comprehensive manner and are sometimes difficult to understand. Indeed, I have had lawyers come and seek my advice as to what some of the questions mean. Therefore it was not unusual to find that not only did the debtor fail to understand the questions, but that he usually came to the examination unprepared and was therefore unable to give definite answers.

My first variation of the practice was to require the custodian or the debtor's solicitor, where he was represented, to interview the debtor prior to the meeting and go over the questions with him so that the Form 50 might be left with me with the debtor's answers made, some time previous to the examination of the debtor. At the examination I then went over the form again with the debtor, paying particular attention to those answers which, in my opinion, either required some amplification or were in some other respects unsatisfactory. I then completed the form by swearing the debtor and gave the creditors at the first meeting a short summary of the debtor's position as a result of the examination.

As soon as I adopted the practice of delving into the answers made, I found that I frequently obtained answers from debtors which were of great importance to creditors in deciding the rights of creditors amongst themselves and also their rights against the debtor. Sometimes I found the debtor's answers evasive and his explanations lengthy, so that it was exceedingly difficult to do justice to all parties concerned, if I attempted to summarize the answers in longhand. I therefore developed the idea of calling in a Court reporter when I had reached the stage where the debtor began to make important admissions. This became necessary on so many occasions that it was difficult to get a reporter at a moment's notice. Frequently the debtor's answers were interwoven with the answers given before the reporter came in; sometimes, after having a few moments to reflect, the debtor, realizing the effect of his answers, would change answers which he had made before they were being taken down by the reporter; and so it seemed to me it was necessary to have the whole examination taken down by the reporter.

As soon as I began the practice of attempting to scratch below the surface, I found that the debtor usually either would not, or could not, commit himself definitely without going more fully into his affairs. I was therefore met by the answer, which in many cases was justified, that the debtor did not know. It was quite obvious that if that explanation was accepted, it provided a very easy means by which a debtor could escape investigation, and so it was frequently found necessary to adjourn so that the debtor might obtain definite information on the points in question. Then, as there did not appear to be any good reason why the examination of the debtor should take place in



private, creditors who were interested were encouraged to attend the examination. I found that it assisted the debtor in making more accurate answers when some of the creditors who had knowledge of his affairs were present. Sometimes the creditors who were present furnished information which assisted in checking the truth of the statements made by the debtor. I saw nothing in the Act which prohibited a public examination, and could see every reason in favour of it.

Finally, as I saw the position, it was impossible to examine the debtor properly unless I prepared for the examination. I therefore adopted the practice of notifying the custodian on appointment in each case of my requirements—(1) that I wished to be furnished with as much information as possible with reference to the debtor's affairs, particularly with all balance sheets and all other documents, books and records which disclosed the nature of the business and any transactions of an unusual nature; (2) that I should like the custodian to advise the debtor that it would be necessary to file the Form 50, with answers duly sworn to, at least three days before the examination; (3) that in addition the debtor should go into his business affairs so that he would be able to give me a general outline of the course of his business and give me definite information of the transactions to which I have referred.

I also took steps to see that all creditors and solicitors interested in the bankruptcy were advised that I would welcome information regarding the debtor's affairs before the examination, and was prepared to insist that the debtor give me definite information with regard to any matters which appeared to require investigation. I further directed the custodian to bring to my attention anything of a suspicious nature in connection with the business which came to his notice while carrying out his duties.

The result was that, while the preparation was necessarily limited in its scope, yet it was sufficient to give me some general knowledge of the debtor's affairs and some information regarding matters of a suspicious character, so that I might start him explaining and wondering how much I really did know. I found that a little knowledge worked wonders in getting the debtor to give me an accurate account and in checking any false explanations.

I then decided that, since these examinations did reveal many things of which perhaps creditors were not aware and did frequently reveal conduct which was often extremely reprehensible from the point of view of the creditors and sometimes contrary to law, it was of great advantage to the creditors to hear the examinations, to see the attitude taken by the debtor on his examination so that they might form their conclusions concerning the conduct of the debtor. In addition to the moral effect on the debtor of answering questions in the presence of his creditors, about which I have previously spoken, I also found that if there was any question as to the scope of my examination, which, while very wide, is restricted to the causes of the insolvency and the disposition of the assets and the questions in Form 50, I could still make use, if necessary, of the greater scope given at the first meeting of creditors by Section 131 of the Bankruptcy Act, where it is provided that the debtor shall submit to such examination and give such information as the meeting may require. If any adjournments of the examinations are necessary, it is customary for the creditors, after appointing the trustees and inspectors, and disposing of the formal business at the first meeting, to adjourn the first meeting to the same date and place as the examination is adjourned, so that I may still give my report to creditors at the meeting in accordance with the Act. In addition to that, it is usually directed that the trustee incorporate a copy of my report in the minutes of the meeting, which he sends to all creditors, so that even those who are not able to attend may be advised as to the general situation from my summary.

So much for the practice. And now to my reasons. In a large majority of the cases I found that the creditors were the real owners of the business. Sometimes they had realized the fact before the bankruptcy; sometimes they had not. In any event, the debtor had failed in his trust. If he had failed for a perfectly legitimate reason he had nothing to fear from an exhaustive examination into his affairs. If he had betrayed the trust of his creditors, then I felt that creditors were entitled in all cases to know exactly what had been done. Sometimes the debtor's disposition of his assets was such that by law creditors were entitled to recover some of their losses from third parties. Frequently some creditors had obtained unlawful preferences. Sometimes the debtor's conduct justified a prosecution or, in other cases, opposition to a compromise or his application for discharge.

Under the old system you might have your suspicions and your doubts, but it was necessary for you to employ a solicitor to embark on an expensive fishing operation by examination before you could even ascertain whether you had any rights at all. Under the new practice you could go to your lawyer charged with facts and valuable admissions made by the debtor.

Under the old system examinations were seldom held even in large estates, never in small ones, so that the worst cases, where the debtor had exhausted all the assets before going into bankruptcy, were never investigated at all.

If the whole situation is uncovered, you are then in a position to size up the situation for yourselves and decide what you want to do about it.



The purpose and usefulness of such an examination of the debtor being made before the first meeting of creditors is held may be summarized as follows:—

1. The report of the Official Receiver is made available at the first meeting, thus enabling the debtor to be further examined on any points raised in the report, and immediately enabling the creditors to take whatever additional proceedings that may be necessary.

2. The information obtained may be extremely useful to the trustee in the administration of the estate.

3. The report is available for the Court when the debtor makes an application for discharge.

4. The knowledge that the debtor's conduct and dealings prior to bankruptcy are subject to close scrutiny by the Official Receiver is in itself an effective deterrent to those contemplating dishonest or fraudulent transactions.

It is particularly important to emphasize the fact that the duty has been imposed on Official Receivers by the Bankruptcy Act to examine debtors along the lines indicated above. The judge having called attention to the fact that these provisions of the Act are not always being observed will, I am sure, be sufficient to bring about an improvement in the present practice. I shall be glad to give any further advice or assistance that any Official Receiver may require in this connection.

W. J. REILLEY,  
*Superintendent of Bankruptcy*

April 5, 1935.







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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY



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FOR THE CALENDAR YEAR 1936

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Published by Authority of HON. CHARLES A. DUNNING, M.P.,  
Minister of Finance



OTTAWA  
J. O. PATENAUDE, I.S.O.  
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The Honourable CHARLES A. DUNNING, M.P.,  
Minister of Finance,  
Ottawa.

SIR,—I have the honour to submit my fourth Annual Report on the administration of The Bankruptcy Act during the year ending December 31, 1936.

Certain changes have been made in the form of the tables to make them more concise and informative. It is hoped that the report at large gives a fair resume of the problems arising and of the work of this office.

Yours very truly,

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, July 31, 1937.

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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1936

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## 1. APPOINTMENTS UNDER THE BANKRUPTCY ACT

### (a) OFFICIAL RECEIVERS

William Thuereck, Esq., Local Registrar of the Supreme Court, Haileybury, appointed Official Receiver for Bankruptcy Division No. 15, Ontario, vice Thomas J. Meagher, resigned. (P.C. 321, February 10, 1936.)

Gordon Tennant, Esq., Local Registrar of the Supreme Court, London, appointed Official Receiver for Bankruptcy Division No. 5, Ontario, vice Edmund Weld, deceased. (P.C. 2262, September 4, 1936.)

J. Clarence Colleran, Esq., Local Registrar of the Supreme Court, Port Arthur, appointed Official Receiver for Bankruptcy Division No. 1, Ontario, vice Neil Campbell, resigned. (P.C. 2632, October 14, 1936.)

### (b) REGISTRARS IN BANKRUPTCY AND TAXING OFFICERS

H. Lester Smith, Esq., Barrister-at-Law, Fredericton, appointed by the Honourable Chief Justice of the Supreme Court of New Brunswick (King's Bench Division) to be Registrar and Taxing Officer in Bankruptcy for the Province of New Brunswick, June 8, 1936, vice Francis Kerr, deceased.

Adelard Leduc, Esq., and Richard Beaudry, Esq., of His Majesty's Counsel, appointed by the Honourable Chief Justice of the Superior Court of the Province of Quebec to be joint Registrars in Bankruptcy for Bankruptcy Division No. 1 of the Province of Quebec, June 19, 1936, vice Arthur Delisle, K.C., deceased.

Auguste Quesnel, Esq., Montreal, appointed by the Honourable Chief Justice of the Superior Court of the Province of Quebec to be Taxing Officer in Bankruptcy for Bankruptcy Division No. 1 of the Province of Quebec, June 26, 1936.

## 2. LICENSING AND SUPERVISORY ACTIVITIES

### (i) LICENSING OF TRUSTEES

#### (a) *Licences Granted for 1936*

Renewal certificates for 1936 were issued to 292 of the 317 trustees whose licences expired on December 31, 1935. In addition, 9 new licences were issued during the year 1936, bringing the total number of licences in force in 1936 to 301.

#### (b) *Licences Cancelled in 1936*

Six licences were cancelled during the year. Three trustees were removed by death, two withdrew from practice, and one failed to maintain the security required by the Act.

#### (c) *Renewal of Licences for 1937*

Of the 295 trustees whose licences expired on December 31, 1936, 273 applied for certificates of renewal for 1937; 269 of these applications were granted.

(d) *Distribution of Licences*

The following table shows the distribution by provinces of the 269 licences renewed for 1937. In this table trustees licensed to operate in two or more Provinces are shown only in the provinces in which their head offices are situated:—

Nova Scotia ....	11	Quebec .....	119	Saskatchewan ...	5
New Brunswick..	6	Ontario .....	95	Alberta .....	6
Prince Ed. Island	2	Manitoba .....	7	British Columbia.	18

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces are included in the total for each province in which they operate:—

Nova Scotia ....	16	Quebec .....	126	Saskatchewan ...	14
New Brunswick..	11	Ontario .....	106	Alberta .....	15
Prince Ed. Island	4	Manitoba .....	15	British Columbia.	24

Northwestern Territories 1.

These figures show a further reduction in 1937 in the number of persons operating as licensed trustees. The following comparative statement shows the number of licences issued during the four-year period ending December 31, 1936:—

LICENCES ISSUED IN 1933, 1934, 1935 AND 1936

Province	1933	1934		1935		1936	
	Licences Issued	Licences Renewed	New Licences Issued	Licences Renewed	New Licences Issued	Licences Renewed	New Licences Issued
Nova Scotia.....	20	12	2	11	2	12	.....
New Brunswick.....	13	7	1	6	2	7	.....
Prince Edward Island.....	4	2	.....	2	1	2	.....
Quebec.....	191	162	7	140	7	134	3
Ontario.....	122	99	8	97	6	99	4
Manitoba.....	18	10	2	11	.....	8	.....
Saskatchewan.....	19	5	1	5	.....	5	1
Alberta.....	19	8	.....	7	.....	7	.....
British Columbia.....	28	23	2	22	1	18	1
		328	23	301	19	292	9
Total.....	364	351		320		301	
Less Cancellations during the year:—							
By Death.....	2	2		2		3	
By Withdrawal.....	1	2		1		2	
By inability to maintain bond.....	1	3		—		1	
Licences in force at end of year	360	344		317		295	

As indicated in previous reports, the reduction in the number of licensed trustees during this period has resulted mainly from the voluntary withdrawal from practice of licensees who found that the volume of work to be had was not sufficient to warrant the renewal of their licences and qualifying bonds. A contributing factor is seen in the marked decrease in the number of bankruptcies during the same period, these having fallen in 1936 to considerably less than half of the number reported in 1933. Originally, when the Amendments of 1932 came into force it was felt that the number of licensees should be restricted to a smaller definite number of the most competent applicants, but to avoid hardship and undue discrimination generally licences were granted to applicants



of good reputation, so far as could be ascertained at the time, who had previously been engaged in this work. It was hoped that through elimination by voluntary retirement and cancellations for cause the number of licensees would gradually be considerably reduced and the original object attained. It is desirable that the number of licensees be reduced still further, notably in the larger centres, in some of which the number of trustees available is entirely out of proportion to the volume of work to be done.

## (ii) BANKRUPTCIES REPORTED AND ESTATES ADMINISTERED

There were 1,154 bankruptcies reported in 1936 compared with 1,263 in 1935, a decrease of 109 in 1936. Comparative figures for all provinces for the years 1933, 1934, 1935 and 1936 are as follows:—

Year	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
1933.....	68	57	12	740	652	573	180	76	73	102	71	2,604*
1934.....	42	34	8	365	429	269	95	54	31	31	53	1,411
1935.....	36	35	4	303	490	203	82	31	23	22	34	1,263
1936.....	33	20	6	304	406	210	78	24	20	20	23	1,154

\* These figures cover the thirteen-month period from 1st December, 1932 (when the Bankruptcy Act Amendment Act, 1932, came into effect) to 31st December, 1933.

Liabilities and assets for the 1,154 estates reported in 1936 were estimated and valued by the debtors at \$14,349,068 and \$11,910,059, respectively. Liabilities and assets for 1,263 estates reported in 1935 were \$27,681,779 and \$23,564,684, respectively. A marked decrease both in the volume of liabilities and in the value of the assets is noted in 1936.

The administration of 1,069 estates was completed and the trustees discharged in 1936. A survey of the administration of these estates gives the following information and results:—

Total liabilities estimated (by debtors) at.....	\$ 14,018,966
Total assets valued (by debtors) at.....	10,314,455
which realized.....	2,265,125
Distributed as follows:—	
Payments to creditors.....	1,661,943
Cost of administration.....	603,182

In addition to the total payments to creditors (\$1,661,943), securities to an estimated value of \$3,810,708 were realized or taken over by secured creditors, making in all payments to creditors in cash or kind totalling \$5,472,651, or 39.04 per cent of the estimated liabilities, and leaving an estimated net loss to creditors of \$8,546,315.

In addition to the 1,154 bankruptcies reported in 1936, and to the 1,069 estates that were closed in this year, 194 old bankruptcies (estates in existence prior to the Bankruptcy Act Amendment Act, 1932) were newly reported to this office, and the administration of 480 old estates was completed and the trustees discharged. Altogether, the administration of 2,764 new estates and 1,586 old estates was under supervision during the year.

Detailed information regarding the number and location of bankruptcies reported, size of estates, realization of assets, administrative costs, etc., will be found in the tables forming the Appendix to this report. As in previous years, every effort has been made to make these tables as useful and as informative as possible. Existing tables have been consolidated and in some cases extended and a new table has been added to show the proportion of dividends paid at various rates.



## (iii) COMPLAINTS AND INVESTIGATIONS

During the year seventy-two complaints were registered by creditors and others against forty-eight trustees. Sixty-seven of these complaints related to estates under the administration of licensed trustees. The remaining five related to estates which came into existence prior to 1st December, 1932, in the hands of unlicensed trustees. Each of these seventy-two complaints, with the exception of the seven special cases referred to below, were investigated and satisfactorily disposed of by correspondence.

Eleven outside investigations were made by members of the staff during the year. Seven of these investigations were made as a result of complaints received from creditors and others. Four were made of the records and accounts of trustees whose licences had been allowed to expire or had not been renewed.

## 3. LOSSES PAID BY BONDING COMPANIES

The year 1936 was the first since 1932 in which any very substantial demand was made on the guaranty companies in respect of the operations of trustees bonded by them in bankruptcy matters. A total of approximately \$7,500 is believed to have been paid over by the bonding companies in 1933, but no substantial losses were reported on this account in 1934 or 1935. Losses paid by bonding companies amounted in 1936 to \$64,573.65. Additional claims made in 1936 amounting to \$14,016.68 had not been settled at the end of the year. There is no record of any loss having been suffered by any creditor on this account in respect of estates that have come into existence since the 1st December, 1932.

The amount paid by the surety companies emphasizes the necessity of adequate security being required for the protection of creditors, because no matter how adequately a trustee may be bonded in each estate, a default necessarily incurs heavy additional costs which the creditors eventually have to assume with respect to the appointment of a substituted trustee, the audit or investigation of the former trustee's administration, the collection and distribution of the funds in question, in addition usually to solicitors' costs. Further, the delay in administration occasioned thereby is annoying and irritating to the creditors. It suggests the advisability of devising a scheme to avoid such situations, perhaps that of a controlling fund into which the funds of all estates would be paid when received, the practice followed in England. If this were done, the individual bonds in each estate might possibly be dispensed with thereby reducing the expense of administration.

Of the sum of \$64,573 received from bonding companies the sum of \$55,148.08 was recovered on estate bonds and the balance of \$9,425.57 was collected on the qualifying bonds of licensed trustees held in this office indicating the need of such qualifying bonds as marginal security for the creditors because Official Receivers had not fixed estate bonds high enough to cover the total realization in those estates where trustees had defaulted. The large sum thus recovered further emphasizes the importance not only of granting licences to men of known integrity, but also the desirability of granting licences to men with substantial personal assets and independent means, who thereby are less tempted to appropriate trust moneys in their hands for personal purposes.

## 4. PROSECUTIONS IN BANKRUPTCY MATTERS

At the end of 1935 there were twenty-one cases in which investigations were being continued or in which criminal proceedings were then pending. Nineteen new cases, in most of which there were grounds for believing that offences had been committed and in all of which an investigation of some sort had been made, were reported in 1936. Nineteen of these forty cases were closed in 1936. In the remaining twenty-one proceedings were pending or contemplated at the end of 1936 or the investigations were being continued.

In six only of the nineteen cases closed in 1936 were the accused brought to trial. In four the investigations were dropped because of lack of funds or the indifference of the creditors to further investigate or prosecute. In five others insufficient proof of fraud was available to warrant the institution of criminal proceedings. In one case the charges laid were withdrawn, and in three others the debtors escaped further investigation, at least temporarily, by absconding.

Convictions were obtained in four of the six cases brought to trial. In two the accused were acquitted, insufficient evidence being produced to warrant convictions. In one other case, not included in the above, a debtor was convicted on charges of conversion laid prior to his bankruptcy. In one of the four cases in which convictions were obtained the accused was subjected to payment of a fine. Sentences of imprisonment, varying from six to twenty-three months, were imposed in the other cases.

References have been made in previous reports to the reluctance of creditors to prosecute even where it is known that offences have been committed, and to the difficulties frequently encountered in initiating criminal proceedings in bankruptcy cases in which no funds are available to cover the costs of the investigation and of the preliminary proceedings. An examination of the nineteen cases closed in 1936 shows that in three of these cases prosecutions were ordered by the court or initiated by the provincial authorities. In four others the charges were laid and in three they were prosecuted by the trustees or creditors. In five of the twelve remaining cases the facts and circumstances of the offences believed to have been committed were reported to the court by the trustees in accordance with the requirements of section 195 (2) of the Bankruptcy Act, but in each case the court declined to make an order to prosecute. It would seem that the courts are inclined to take a fairly lenient view in many of these cases, and hesitate to put the provinces to the expense of a prosecution when there is any doubt of the probability of a conviction being obtained. While it is undoubtedly wise that these considerations should be kept in mind it can be seen that a tendency towards leniency might be carried too far. The difficulties now in the way of bringing dishonest debtors to trial are undoubtedly discouraging to the creditors who have been defrauded. They also serve, perhaps, to encourage to some extent dishonest practices of this kind. It should not be overlooked that if there is merely a doubt as to the guilt of the accused he will get the full benefit at his trial of any doubt that may then exist.

References have also been made in previous reports to the dissatisfaction that is caused by the frequent insufficiency of the punishment awarded on conviction in bankruptcy cases. There seems to be no doubt that leniency of this kind is almost entirely the result of a misconception, on the part of the police magistrates who usually deal with these cases, of the gravity of these offences. In one case reported in 1936 an accused person was convicted of having committed four different offences against section 191 of the Bankruptcy Act and section 417 of the Criminal Code. He was fined \$40 on the first offence, \$40 on the second, and \$10 on each of the two others, or a total of \$100. This was felt to be entirely inadequate since the accused had failed to account for assets, the property of his creditors, of a value of at least eight thousand dollars. An appeal entered against the sentences by the Attorney General for the Province was dismissed. The majority of the court of appeal was agreed that the punishment was grossly inadequate but felt, in the circumstances, that it should not have been asked to increase the sentence as this would amount to undue interference with the discretion exercised by the Police Magistrate. Had the appeal been from the convictions a new trial would have been ordered. One of the judges, concurring in the opinion as to the gross inadequacy of the penalties imposed, felt that the appeal from the sentences should be allowed.



## 5. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Assignments for the benefit of their creditors were made by 182 farmers, and fourteen receiving orders were made against farmers under this Act during the year. This represents a substantial decrease in the total number of assignments and receiving orders reported in 1936 as compared with the sixteen-month period ending December 31, 1935. The following table shows, by provinces, the number of assignments and receiving orders made under the Farmers' Creditors Arrangement Act since it came into effect on September 1, 1934:—

TABLE I.—COMPARISON OF THE NUMBER OF ASSIGNMENTS AND RECEIVING ORDERS, BY YEARS

Province	1934* (4 months)	1935		1936		Total
	Assign- ments	Assign- ments	Receiving Orders	Assign- ments	Receiving Orders	
Nova Scotia.....	0	0	0	0	0	0
New Brunswick.....	5	8	0	4	0	17
Prince Edward Island.....	0	3	0	2	0	5
Quebec.....	7	38	1	39	11	96
Ontario.....	4	27	0	24	0	55
Manitoba.....	12	24	0	15	0	51
Saskatchewan.....	22	98	0	2	2	184
Alberta.....	11	86	1	33	1	132
British Columbia.....	0	1	0	3	0	4
Total.....	61	285	2	182	14	544

\* No receiving orders were made against farmers in 1934.

Liabilities and assets for the 196 estates reported in 1936 were estimated at \$1,449,659.21 and \$779,536.13 respectively, representing average liabilities of \$7,396.22 and assets of \$3,977.23 for each estate. Real property represented \$593,756.68, or 76·17 per cent of the assets, the balance, or \$185,779.45, consisting of live stock and machinery. Of the liabilities, \$1,098,244.44 or 75·76 per cent of the total were either secured or preferred, the balance being composed of ordinary unsecured claims.

Including 254 estates the administration of which was not completed at December 31, 1935, there was under administration in 1936 a total of 450 farmer estates. Of these, 259 were completely administered and the trustees released during the year, leaving 191 on hand as at December 31, 1936.

The 259 estates closed in 1936 represented total liabilities of \$2,426,374.22, and assets of a total estimated value of \$1,227,197.76, which includes the statutory exemptions to which the farmers were entitled under the provincial laws. The proceeds from the sale of these assets, exclusive of cash payments to farmers in lieu of exemptions, amounted to \$49,931.73, all of which, less administrative costs of \$8,591.79, was available for distribution to the creditors. In addition to the cash payments made to the creditors, lands and chattels under mortgage or lien were in many cases transferred to or repossessed by secured creditors.

Additional administrative costs of \$4,312.70 were paid by the Department, bringing the total administrative costs to \$12,904.49 which includes fees amounting to \$2,954.90 paid to Official Receiver-trustees. The average cost of administering these estates amounted to \$49.82 only, of which 33·42 per cent was paid by the Dominion Government.

One hundred and seventy-one applications of farmers for discharge, including eighteen applications that were pending on December 31, 1935, were reported during the year. Of this number 142 were granted unconditionally, four were granted conditionally, and five discharges were suspended for periods



ranging from thirty days to two years. Six applications were refused. Fourteen had not been disposed of at the end of the year. In eleven other cases the assignments made by the farmers were annulled on the approval by the court of proposals of composition accepted by the creditors. There were no prosecutions under this Act during the year.

Tables showing (1) assets and liabilities of estates reported in 1936, and (2) the administration of estates closed in 1936, have been included in the Appendix to this report.

## 6. REVENUE AND EXPENDITURES

Detailed statements of the monthly revenues and of expenditures during 1936 are given below:—

### STATEMENT OF REVENUE—CALENDAR YEAR 1936

1936	Licence Fees	Levy	Totals
	\$ cts.	\$ cts.	\$ cts.
January.....	130 00	1,183 50	1,313 50
February.....	160 00	1,083 09	1,243 09
March.....	5 00	1,211 76	1,216 76
April.....	Nil	796 29	796 29
May.....	10 00	857 43	867 43
June.....	Nil	750 32	750 32
July.....	45 00	922 61	967 61
August.....	Nil	838 59	838 59
September.....	15 00	676 02	691 02
October.....	947 50	2,124 83	3,072 33
November.....	4,140 00	1,512 21	5,652 21
December.....	535 00	2,202 04	2,737 04
	5,987 50	14,158 69	20,146 19
Less—refunds during the year.....	177 50	74 30	251 80
	5,810 00	14,084 39	19,894 39

### STATEMENT OF EXPENDITURE—CALENDAR YEAR, 1936

Salaries.....	\$ 25,791 78
Printing and Stationery.....	1,208 76
Travelling.....	368 97
Rent and Maintenance.....	2,186 63
Sundries.....	161 27
Total.....	\$ 29,717 41

## 7. TRUSTEES' REMUNERATION

Fees paid to trustees amount to \$136,245.41 or 6.01 per cent of the total realization (or 7.81 per cent of the net realization after deducting the payments to the secured creditors). This remuneration comprises all the compensation received by trustees in the closed estates under review and includes extra fees voted by the inspectors and approved by the Court for special services, management of operations, etc. This is an average of \$127.46 per estate. A closer analysis, however, reveals that in a strikingly large percentage of estates trustees received much less than the average fee and indeed, in many cases, they suffered direct personal losses of the advances made to cover the initial bankruptcy costs. It will be seen from the following table that trustees assume grave risks in undertaking the administration of estates where the realization is likely to be less than \$500.

## THE SUPERINTENDENT OF BANKRUPTCY

## ANALYSIS OF REMUNERATION RECEIVED BY TRUSTEES IN ESTATES CLOSED IN 1936

—	Number of Cases	Percent- age of Closed Estates	Total Receipts	Total Fees	Trustee's out-of-pock- et re Costs advanced	Average size Estate	Average Loss per Estate	Average Fees per Estate
		%	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
No fees and out of pocket....	119	11.13	25,627 47	Nil	12,281 44	215 35	103 21	Nil
No fees but costs covered....	15	1.41	3,892 59	Nil	.....	259 51	.....	Nil
Fees under \$25.00.....	46	4.3	10,269 94	682 36	—*	223 26	.....	14 83
Fees \$25.00 and under \$50.00.	84	7.86	26,781 17	3,067 17	—*	318 82	.....	36 51
Fees \$50.00 and under \$100.00	260	24.32	139,887 01	19,535 36	—*	538 02	.....	75 14
Fees over \$100.00.....	545	50.98	2,058,666 82	112,969 52	—*	3,777 37	.....	207 28
	1,069	100.00	2,265,125 00	136,254 41	.....	2,118 92	.....	127 46

\* Deficits, if any, absorbed in trustees' fees.

There are various reasons for the losses and lack or paucity of fees disclosed in the above table. These may be briefly stated as:—

- (1) Misrepresentation by debtors to induce trustees to accept estates.
- (2) Non-payment of costs guaranteed by interested parties.
- (3) Priority of certain claims over the fees and expenses of the custodian and trustee.
- (4) Loss of assets due to court decisions unfavourable to estate.
- (5) Expenses advanced by trustee to realize assets which do not yield the costs of collection.
- (6) Voluntary acceptance of smaller fees to facilitate closing or to enable payment of wage-earner or other deserving claims.
- (7) Errors of judgment.

It is apparent, therefore, that trustees are not receiving an undue amount of remuneration for the services rendered.

## 8. GENERAL OBSERVATIONS

A noticeable feature of bankruptcy administration is the annual decrease in the number of bankruptcies that have been reported since 1st December, 1932, at which date the Bankruptcy Act Amendment Act, 1932, came into effect. During this time the number of bankruptcies has decreased almost fifty per cent. It would be a matter for consideration of economic experts whether or not this marked decline in the number of bankruptcies is due to any large extent to the return to better economic conditions, since it would seem to be a fact that better times in business normally result in credit expansion and the resumption of classes of risks which traders in times of depression are careful to avoid. However, as the trend in times of depression is toward a gradual decline in the number of failures as the crisis runs its course, it may correctly be assumed that there has really been some appreciable decrease each year in the number of commercial failures since, say, 1931 or 1932. At the same time there is no doubt that the decrease in the number of bankruptcies is comparatively greater than the actual decrease in the number of commercial failures over the same period, and an explanation of this situation must be sought elsewhere.

There are a number of reasons which explain and account for the present falling off in the number of cases dealt with under the Bankruptcy Act.

The prohibition of solicitation of assignments had an immediate effect in curtailing the activities of that type of individual, a wolf in sheep's clothing, who preyed upon debtors in financial difficulties and persuaded them to make assignments on wholesale false promises of benefits to be derived therefrom.

The lenient attitude of creditors at large throughout the period of the depression in not filing petitions thereby reducing the number of receiving orders, normally about 50 per cent of all bankruptcies to approximately 15 per cent, in itself alone reduced the number of bankruptcies by about 40 per cent.



Further, one of the effects of the close supervision exercised over bankruptcy proceedings since December 1, 1932, has been to deter many debtors from making assignments in bankruptcy, and in numerous cases it is found that arrangements are being made with creditors by means of informal compositions, transfers under the provincial Bulk Sales Acts and otherwise. Many such compromises are arranged by persons who formerly operated as trustees but who have been unable to obtain licences as trustees under the new system.

Another trend is evidenced by the increasing numbers of sales by bailiffs following seizures by the principal or the nearest creditors. It is hardly necessary to say that this last method of dealing with insolvencies, in so far as the general body of creditors is concerned, is in most cases the most unsatisfactory of all.

Another and more important factor contributing to the reduction in the number of bankruptcy cases is found in the existence of concurrent insolvency legislation, notably The Winding-up Act, The Farmers' Creditors Arrangement Act (1934) and particularly, The Companies' Creditors Arrangement Act (1933). A comparatively large number of commercial cases involving the financial reorganization of companies with limited liability formerly dealt with under the provisions of The Bankruptcy Act respecting compositions, extensions and other arrangements, are now and have since 1933 been dealt with under The Companies' Creditors Arrangement Act. Notice need not be taken here of the proposals of composition or extension or of the other insolvency proceedings which since 1934 have been dealt with under The Farmers' Creditors Arrangement Act as these are not of relevant importance in the consideration of commercial failures. So many representations having been made in the past few years, however, with regard to the operation of The Winding-up Act and The Companies' Creditors Arrangement Act, it is felt that some reference should be made to each of these enactments.

As far as the Dominion Winding-up Act is concerned it was apparently contemplated by Parliament that all insolvency cases, corporate as well as individual, would on the enactment of The Bankruptcy Act come under this Act and that the procedure provided by The Winding-up Act would continue to be used only for the winding up of companies for reasons other than insolvency. If this result was indeed anticipated by Parliament it has not been realized, the effect of the passing of The Bankruptcy Act being merely to set up a concurrent and competitive system of procedure for insolvent companies to be used alternatively as those in charge might elect. By an amendment of 1932 to The Winding-up Act it was enacted that only licensed trustees in bankruptcy could be appointed liquidators under that Act. It is recognized, however, that insolvency procedures under The Winding-up Act are generally more costly than under The Bankruptcy Act as every administrative act of any importance must first be approved by the court.

The Companies' Creditors Arrangement Act (1933), itself a product of the depression, was passed to enable limited liability companies to reorganize financially and to compromise with their creditors without being obliged to make an authorized assignment or come under the jurisdiction of the bankruptcy courts. Proceedings under this Act are, however, controlled to some extent by the judges of the courts having jurisdiction therein. No record of the total number of applications made by companies under The Companies' Creditors Arrangement Act appears to be available but it is understood that a comparatively large number of companies have made applications practically all of which have resulted in compositions being effected. It would seem that the enactment has been of real benefit to companies who have found themselves temporarily embarrassed or whose financial situation was such that reorganization and compromise or extension were possible to enable them to continue business under a more favourable financial structure. In quite a number of cases, however, the applicant companies were hopelessly insolvent and in these the applications were



merely a preliminary step towards bankruptcy proceedings. A disadvantage of the Act is to be found in the almost complete absence of creditor control and of the investigation of the applicant's affairs. The proceedings are initiated and carried through by the applicant, no trustee is appointed and no inspectors are elected to take care of the interests of the creditors at large, hence the possibility of abuse. There would appear to be much criticism of malfeasance and fraud by unscrupulous company officials.

Representations are being made from time to time by various commercial bodies regarding the confusion which has arisen as the result of these distinct and different ways which have become available for the purpose of dealing with insolvencies. This confusion arises not alone from differences in the established procedural methods but also from differences which have arisen as the result of the decisions of the courts in such important matters as the ranking or priority to be given to various classes of secured and preferred creditors. Undoubtedly the need of legislation of the character of that provided by The Companies Creditors Arrangement Act arises from the fact that there is no longer in The Bankruptcy Act any means whereby a company may make to its creditors a proposal of composition or for an extension of time without having first made an authorized assignment or having come under the provisions of The Bankruptcy Act by way of a receiving order. It should be noted, however, that this situation has not always existed. In The Bankruptcy Act, as originally enacted, provision was made to allow any person or corporate entity to make to his or its creditors a proposal of composition or for an extension or other arrangement without first having to make an assignment or having been adjudged bankrupt. These provisions had been adapted into the Canadian Act from The English Bankruptcy Act in which they are still to be found. In the Canadian Act, unfortunately, they were dropped when the amendments of 1923 were brought into force. It is generally conceded that the removal from The Bankruptcy Act of the provisions enabling individuals and companies to make proposals of composition without becoming bankrupt has not been beneficial, and there would seem to be no doubt that the restoration to the Act of its original provisions regarding compositions, extensions and schemes of arrangement, would be successful in simplifying and giving uniformity to insolvency law and procedure and would eliminate a very great deal of the confusion which is now found to exist in these matters.

Consideration of bankruptcy and insolvency as they affect the economic life of the country is further much involved and complicated by reason of the fact that many civil procedures are so closely related to or at least produce an insolvent condition among debtors. Insolvency almost invariably exists or is created by such proceedings as bailiffs' sales by landlords, mortgagees, chattel mortgagees, municipalities for taxes, etc. Other procedures such as liquidations under power of attorney and others of a similar nature are merely expedient substitutes to avoid bankruptcy proceedings. In many of these cases the equitable doctrine of a *pro rata* distribution of an insolvent's assets among his creditors is defeated and the rights of creditors generally are disregarded as an aggressive creditor or the debtor himself is in control. Much unfairness among creditors results because before creditors generally become aware of what is happening, one creditor has realized upon the debtor's assets and collected the proceeds. The other creditors being met with a *fait accompli* have either to acquiesce or commence expensive legal proceedings to obtain their proper share of the proceeds. The worst feature of such a situation, however, is that the debtor escapes any investigation of his conduct or the cause of his losses or insolvency, particularly emphasized as one of the most important features of bankruptcy administration. Many injustices of this nature would be prevented if the scope of the Act were widened to include situations where insolvency in fact exists and more particularly if compromises by both individuals and companies were brought under the control of reputable licensed trustees.

Unfortunately no figures are obtainable to make a comparative statement of bankruptcies with commercial failures at large. The only correct picture of such losses sustained by creditors in these various ways would be a statement of the total debts lost to or written off by creditors annually. If the amount of such losses were known the appalling total would be very impressive to show the tremendous burden placed on business generally by having to absorb such losses, due almost entirely to the insolvency of debtors. It is only as the provisions of The Bankruptcy Act can be applied in a constructive way to try to eliminate or reduce such losses by an examination of the causes thereof and to try to find a remedy therefor that it can be made to serve its potential purpose. The corrective influence of the provisions of the Act undoubtedly has had some effect in those cases coming within its operation in controlling the abuses inherent in insolvency cases. However, as bankruptcy cases are only a fractional part thereof it is apparent that its usefulness is limited because its application is not sufficiently extensive to control the causes of insolvency at large.





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PART I  
BANKRUPTCIES REPORTED IN 1936

TABLE I.—NEW BANKRUPTCIES REPORTED

Province or City	Number of Estates opened	Percentage of Total	Assets as estimated by Debtors	Liabilities as estimated by Debtors	Average per Estate	
					Assets	Liabilities
		%	\$	\$	\$	\$
Nova Scotia.....	33	2.86	216,202	237,105	6,552	7,185
New Brunswick.....	20	1.73	72,288	87,681	3,614	4,384
Prince Edward Island.....	6	0.52	28,138	79,080	4,690	13,180
Quebec.....	304	26.35	2,719,312	3,197,363	8,945	10,518
Montreal.....	406	35.18	2,692,685	3,920,046	6,632	9,655
Ontario.....	210	18.20	3,995,791	4,053,777	19,028	19,304
Toronto.....	78	6.76	1,357,833	1,630,699	17,408	20,906
Manitoba.....	24	2.08	71,388	153,024	2,974	6,376
Saskatchewan.....	20	1.73	131,242	220,584	6,562	11,029
Alberta.....	20	1.73	207,929	274,925	10,396	13,746
British Columbia.....	33	2.86	417,251	494,784	18,141	21,512
Total.....	1,154	100.00	11,910,059	14,349,068	10,321	12,434

TABLE II.—OLD BANKRUPTCIES (ESTATES IN EXISTENCE PRIOR TO THE 1932 AMENDMENT) REPORTED TO SUPERINTENDENT DURING 1936

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
194	3	6	4	25	30	57	20	14	11	7	7

TABLE III.—TOTAL BANKRUPTCIES REPORTED IN 1936

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
1,348	36	26	10	329	436	267	98	38	31	27	50

TABLE IV.—ESTATES ON HAND AT DECEMBER 31st, 1936

Year	New Estates			Old Estates		
	Opened	Closed	Carried over	Opened	Closed	Carried over
1933.....	2,604	850	1,754	1,340	860	480
1934.....	1,411	1,620	1,545	2,030	1,033	1,477
1935.....	1,263	1,198	1,610	343	428	1,392
1936.....	1,154	1,069	1,695	194	480	1,106
Total.....	6,432	4,737	1,695	3,907	2,801	1,106

Bankruptcy Administrations carried over to 1937—New..... 1,695  
Old..... 1,106  
Total..... 2,801

TABLE V.—PERCENTAGE OF ASSIGNMENTS AND RECEIVING ORDERS TO TOTAL NUMBER OF NEW BANKRUPTCIES REPORTED IN 1936

Province or City	New Bankruptcies, 1936	Assignments		Receiving Orders	
		Number	%	Number	%
Nova Scotia.....	33	27	81.82	6	18.18
New Brunswick.....	20	19	95.00	1	5.00
Prince Edward Island.....	6	5	83.33	1	16.67
Quebec.....	304	263	86.51	41	13.49
Montreal.....	406	352	86.70	54	13.30
Ontario.....	210	183	87.14	27	12.86
Toronto.....	78	50	64.10	28	35.90
Manitoba.....	24	21	87.50	3	12.50
Saskatchewan.....	20	15	75.00	5	25.00
Alberta.....	20	16	80.00	4	20.00
British Columbia.....	33	25	75.76	8	24.24
	1,154	976	84.58	178	15.42

TABLE VI.—OCCUPATIONAL CLASSIFICATION OF DEBTORS

	N.S.	N.B.	P.E.I.	Que.	Mtl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
MANUFACTURE AND INDUSTRY—												
Lumber and woodworking.....		1		9	3	4			1	1	4	23
Mining.....	1			1	2	4	3				2	13
Food Products.....	4	1		12	10	14	4			1	1	47
Furniture.....				2	3	7	3					15
Shoes and Leather Goods.....				6	1	2	2					11
Clothing.....	1			3	36	3	9	2				54
Auto Supplies.....	1				1	1						3
Drugs and Chemicals.....					4							4
Brass and Iron Works.....		1		3	2	2	1				1	10
Printing.....					4		1					5
Tobacco.....					2	1	1					4
Fur.....					4							4
Paint.....				1	2							3
Brick and Cement.....				3	2							5
Toys.....						1					1	2
Miscellaneous.....				6	5	7	3				1	22
Total.....	7	3		46	81	46	27	2	1	2	10	225
TRADE—												
Dry Goods.....	4	3	1	36	35	39	13	4	7	1	3	146
Food Products.....	10	1		70	70	32	8	5	5	3	3	207
General Merchants.....	3	1	2	35	2	10		2	1	5		61
Footwear.....		1		3	7	5	6	1				23
Furs.....					5		3					8
Furniture.....	1			3	6	5		1			2	18
Fuels.....				7	6	6		1	1			21
Electric Supplies.....				1	2	2		1				6
Plumbing Supplies.....	1			8	3	2	1			1		16
Hardware.....	1		2	4	10	6	2	1	3	3	1	33
Painters and Decorators.....				1	2	3						6
Building Contractors.....	2			10	12	3	1				1	29
Garage and Auto Supplies.....				14	3	5	7	1		1	3	34
Druggists.....		1		2	2	3	1	1	1		2	13
Tobacco and Stationery.....	1			4	10	3	1	1				20
Jeweller.....				3	3	4			1	2	1	14
Florist.....					1	1					1	3
Miscellaneous.....				2	3							5
Total.....	23	7	5	203	182	129	43	19	19	16	17	663
OTHERS—												
Transportation.....	1			2	5	3					1	12
Finance.....				1	3	3	2					9
Service—												
Professional.....			1	3	5	4						13
Business.....				3	3	2	1					9
Recreational.....	1			4	3	2		1		1	1	13
Personal.....					4	3					1	8
Hotel.....				6	6	1						13
Wage Earners.....	1	7		20	78	8	2	2		1		119
Real Estate and Insurance.....				4	8	2	1				1	16
Commercial Agents and Salesmen.....				6	21	3	1				1	32
Miscellaneous.....		3		6	7	4	1				1	22
Total.....	3	10	1	55	143	35	8	3		2	6	266
Grand Total.....	33	20	6	304	406	210	78	24	20	20	33	1,154



PART II  
**ESTATES CLOSED DURING 1936**  
(Exclusive of "Old" Estates Reported in Part IV)  
TABLE VII.—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION, BY DISTRICTS

Province or City	Number of Estates closed	Assets as estimated by Debtors	Liabilities as estimated by Debtors	Realization	Receipts from operations	Gross Receipts	Cost of Administration	Percentage cost	Paid to creditors	Realized direct by secured creditors (approx.)	Total amount recovered by creditors (approx.)
Nova Scotia.....	35	\$ 271,448	\$ 310,813	\$ 54,560 84	\$ 12 91	\$ 54,573 75	\$ 16,647 12	% 30.5	\$ 37,926 63	\$ 117,918	\$ 155,845
New Brunswick.....	27	252,392	352,670	43,711 88	434 29	44,146 17	15,129 51	34.3	29,016 66	87,421	116,438
Prince Edward Island.....	7	37,881	88,341	23,217 90	.....	23,217 90	3,457 46	14.9	19,760 44	4,778	24,538
*Quebec.....	254	2,374,348	2,798,384	624,348 69	7,138 87	631,487 56	143,387 42	22.7	488,100 14	720,017	1,208,117
Montreal.....	392	2,100,174	3,695,840	392,411 04	7,885 12	400,296 16	150,551 76	37.6	249,744 40	785,590	1,035,335
*Ontario.....	164	2,033,850	2,286,097	452,715 58	33,709 94	486,425 52	121,558 01	25.0	364,867 51	769,365	1,134,232
Toronto.....	79	2,046,487	2,845,549	328,098 99	.....	328,098 99	80,426 98	24.5	247,672 01	963,904	1,211,576
Manitoba.....	35	347,891	437,798	94,118 35	14,425 32	108,543 67	25,543 84	23.5	82,999 83	95,496	1,178,496
Saskatchewan.....	28	381,148	387,166	69,603 53	.....	69,603 53	14,589 42	21.0	55,014 11	157,811	212,825
Alberta.....	18	206,738	285,344	49,928 78	.....	49,928 78	11,927 89	24.0	38,000 89	28,320	66,321
British Columbia.....	30	262,098	530,964	68,802 97	.....	68,802 97	19,962 88	29.0	48,840 09	80,088	129,928
Total.....	1,069	10,314,455	14,018,966	2,201,518 55	63,606 45	2,265,125 00	603,182 29	26.6	1,661,942 71	3,810,708	5,472,651

\* Exclusive of cities shown separately.

TABLE VIII.—CLASSIFICATION OF LIABILITIES AND PAYMENTS TO CREDITORS IN ESTATES CLOSED DURING 1936

Province or City	Liabilities estimated by Debtors				Payments to Creditors					
	Total	Secured	Preferred	Ordinary	Total	Secured	Preferred	Ordinary	Percent- age to ordinary Creditors	Levy
Nova Scotia.....	\$ 310,813	\$ 134,187	\$ 11,576	\$ 165,050	\$ cts.	\$ cts.	\$ cts.	\$ cts.	%	\$ cts.
New Brunswick.....	352,670	130,425	16,567	205,678	37,926 63	11,128 07	7,115 74	19,472 65	11.79	210 17
Prince Edward Island.....	88,341	8,313	1,299	78,729	29,016 66	894 16	9,673 61	18,300 52	8.89	148 37
Quebec.....	2,798,384	967,757	237,589	1,593,038	19,760 44	3,594 00	505 07	15,562 57	19.76	98 80
Montreal.....	3,695,840	881,808	235,322	2,578,710	488,100 14	215,796 19	115,165 23	155,083 19	9.73	2,055 53
Ontario.....	2,286,097	940,750	150,134	1,195,213	249,744 40	66,320 27	91,881 90	90,199 65	3.49	1,342 58
Toronto.....	2,845,549	1,077,076	152,521	1,615,952	364,867 51	138,460 51	90,172 97	134,538 22	11.25	1,695 81
Manitoba.....	437,798	132,880	23,776	281,142	247,672 01	47,461 20	99,932 09	99,179 43	6.14	1,099 29
Saskatchewan.....	387,166	161,491	15,984	209,691	82,999 83	15,281 57	12,568 16	54,734 58	19.46	415 52
Alberta.....	285,344	48,213	17,548	219,583	55,014 11	259 69	7,795 22	46,665 99	22.25	293 21
British Columbia.....	530,964	102,909	28,747	399,308	38,000 89	12,648 46	9,128 97	16,035 15	7.30	188 31
Total.....	14,018,966	4,585,809	891,063	8,542,094	48,840 09	7,564 52	14,598 10	26,381 45	6.60	296 02
					1,661,942 71	519,408 64	458,537 06	676,153 40	7.91	7,843 61

TABLE IX.—SUMMARY OF TOTAL ADMINISTRATIVE COSTS

Province or City	Number of Estates	Custodian	Trustee	Legal	Total cost of Admin- istration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	35	2,274 84	10,971 02	3,401 26	16,647 12
New Brunswick.....	27	3,435 14	9,352 50	2,341 87	15,129 51
Prince Edward Island.....	7	501 57	2,298 79	657 10	3,457 46
Quebec.....	254	28,586 18	85,142 45	29,658 79	143,387 42
Montreal.....	392	33,303 44	91,075 83	26,172 49	150,551 76
Ontario.....	164	19,272 25	72,925 57	29,360 19	121,558 01
Toronto.....	79	9,780 67	53,858 08	16,788 23	80,426 98
Manitoba.....	35	5,367 34	15,981 27	4,195 23	25,543 84
Saskatchewan.....	28	3,699 61	9,471 15	1,418 66	14,589 42
Alberta.....	18	2,120 14	8,085 39	1,722 36	11,927 89
British Columbia.....	30	2,062 96	11,985 23	5,914 69	19,962 88
Total.....	1,069	110,404 14	371,147 28	121,630 87	603,182 29

TABLE X.—RATES OF DIVIDENDS PAID IN ESTATES CLOSED IN 1936

Province or City	Num- ber of Estates closed	Closed without Divi- dend	DIVIDENDS									
			Under 1%	1% and under 2½%	2½% and under 5%	5% and under 10%	10% and under 15%	15% and under 25%	25% and under 50%	50% and under 75%	75% and under 100%	At 100%
Nova Scotia....	35	21	1	.....	1	6	1	2	3	.....	.....	.....
New Brunswick	27	14	.....	1	2	4	3	2	.....	1	.....	.....
P. E. Island....	7	4	.....	.....	.....	.....	.....	1	2	.....	.....	.....
Quebec.....	254	173	16	1	2	12	16	13	13	4	2	2
Montreal.....	392	320	15	7	3	11	15	11	9	1	.....	.....
Ontario.....	164	103	3	5	7	10	6	13	8	6	2	1
Toronto.....	79	40	2	3	5	5	4	8	9	1	1	1
Manitoba.....	35	21	1	.....	.....	3	2	3	3	1	1	.....
Saskatchewan..	28	15	1	2	1	3	.....	2	3	1	.....	.....
Alberta.....	18	10	.....	.....	1	1	2	4	.....	.....	.....	.....
Brit. Columbia.	30	18	.....	1	2	2	.....	4	3	.....	.....	.....
Total.....	1,069	739	39	20	24	57	49	63	53	15	6	4
Percentage of Total.....	.....	69.13%	3.65%	1.87%	2.25%	5.33%	4.58%	5.89%	4.96%	1.4%	.56%	.37%

## THE SUPERINTENDENT OF BANKRUPTCY

TABLE XI.—COMPARATIVE STATEMENT OF AVERAGES FOR THE YEARS 1933  
TO 1936

	1933	1934	1935	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<b>RECEIPTS</b>				
Realizations.....	2,106 23	2,286 58	2,296 79	2,059 41
Net receipts from operations.....	97 57	56 20	27 96	59 50
Total receipts.....	2,203 80	2,342 78	2,324 75	2,118 91
<b>DISBURSEMENTS</b>				
<i>Custodian—</i>				
Fees of Official Receiver.....	14 63	15 73	16 22	15 94
Advertising.....	19 04	18 38	19 07	18 97
Notices to Creditors.....	11 15	10 87	12 67	11 56
Postage.....	4 24	5 14	5 98	5 61
Possession and stocktaking.....	42 08	42 15	46 30	36 79
Bond and insurance premiums.....	7 44	7 78	8 33	6 18
Miscellaneous.....	16 68	10 59	15 96	8 22
Custodian costs.....	115 26	110 64	124 53	103 27
<i>Trustee—</i>				
Advertising.....	15 72	18 08	18 91	16 59
Bond and insurance premiums.....	14 25	21 31	22 83	21 31
Auctioneer.....	11 03	10 22	9 47	10 87
Notices to creditors.....	19 60	18 94	20 94	18 05
Postage.....	8 23	9 68	11 48	10 32
Registrar's fees.....	22 42	19 94	20 39	17 39
Inspectors' fees and disbursements.....	22 55	23 42	27 28	23 93
Trustee's remuneration (less deficit).....	123 18	128 31	151 86	127 46
Miscellaneous.....	56 24	75 21	91 07	91 93
Loss on operations.....		4 00	0 47	9 32
Trustee costs.....	293 22	329 11	374 70	347 19
<i>Legal—</i>				
On petition or assignment.....	28 34	38 04	43 87	38 94
Solicitor to estate.....	52 31	60 40	82 21	70 06
Awarded against trustee.....	1 36	1 52	4 17	4 78
Legal costs.....	82 01	99 96	130 25	113 78
TOTAL COST OF ADMINISTRATION.....	490 49	539 71	629 48	564 24
AVAILABLE FOR DISTRIBUTION.....	1,713 31	1,803 07	1,695 27	1,554 67
Levy.....	8 14	7 99	8 40	7 34
Paid to secured creditors.....	359 44	483 16	378 89	485 88
Paid to preferred creditors.....	575 03	502 17	484 59	428 94
Paid to ordinary creditors.....	770 70	809 75	823 39	632 51
Total paid to creditors.....	1,713 31	1,803 07	1,695 27	1,554 67
Percentage cost of administration.....	22.2%	23.0%	27.0%	26.6%



TABLE XII.—ANALYSIS OF BANKRUPTCY COSTS IN ESTATES CLOSED IN 1936

Averages by City or Province															
Total	General Average		N. S.	N. B.	P. E. I.	Que.	Montreal		Ont.	Toronto		Man.	Sask.	Alta.	B. C.
	\$	cts.					\$	cts.		\$	cts.				
DEBTORS' STATEMENTS															
Total Liabilities.....	10,314,455 00	9,649 00	7,756 00	9,348 00	5,412 00	9,348 00	5,358 00	12,401 00	25,905 00	9,939 00	13,612 00	11,485 00	8,764 00	\$ cts.	
Total Assets.....															
Realizations.....	2,201,518 55	2,059 41	1,558 88	1,618 96	3,316 84	2,458 07	1,001 05	2,760 46	4,153 15	2,689 09	2,485 84	2,773 82	2,293 43		
Net receipts from operations.....	63,606 45	59 50	0 37	16 08		28 10	20 11	205 55		412 15					
Total Receipts.....	2,265,125 00	2,118 91	1,559 25	1,635 04	3,316 84	2,486 17	1,021 16	2,966 01	4,153 15	3,101 24	2,485 84	2,773 82	2,293 43		
DISBURSEMENTS															
Custodian—															
Fees of Official Receiver.....	17,044 23	15 94	8 27	18 07	5 57	18 74	15 10	17 94	14 97	18 07	11 71	13 71	7 20		
Advertising.....	20,280 08	18 97	16 43	16 20	14 18	18 88	21 24	16 82	19 78	15 81	15 24	18 09	14 03		
Bond and insurance premiums.....	12,356 73	11 56	8 51	19 51	12 23	11 82	9 47	12 01	19 69	12 79	8 70	12 65	9 63		
Notices to Creditors.....	5,994 25	5 61	5 59	7 33	6 98	5 53	4 37	6 88	9 33	5 71	5 07	5 52	4 32		
Postage.....	39,325 48	36 79	15 02	36 99	14 56	43 70	28 06	43 70	42 88	60 52	71 55	28 13	14 36		
Possession and stocktaking.....	6,612 16	6 18	5 15	15 08	3 57	5 30	3 14	6 32	7 98	31 53	4 46	19 72	5 69		
Bond and insurance premiums.....	8,791 21	8 22	5 99	14 05	14 56	8 63	3 58	13 54	9 18	8 92	15 40	19 96	13 53		
Miscellaneous.....															
Custodian Costs.....	110,404 14	103 27	64 99	127 23	71 65	112 54	84 96	117 51	123 81	153 35	132 13	117 78	68 76		
Trustee—															
Advertising.....	17,733 08	16 59	13 25	15 20	11 31	21 70	15 46	15 34	16 03	10 39	8 24	25 35	12 52		
Bond and insurance premiums.....	22,752 43	21 31	24 64	29 56	14 38	17 03	13 88	29 20	44 22	31 25	21 83	31 61	23 31		
Auctioneer.....	11,624 21	10 87	2 32	7 84	1 43	7 16	9 46	9 84	40 48	3 12	1 16		28 10		
Notices to creditors.....	19,292 48	18 05	10 25	27 95	14 64	20 97	15 52	16 23	18 54	26 44	19 59	33 40	15 47		
Postage.....	11,026 14	10 32	7 61	14 60	12 95	10 67	7 21	13 49	15 57	11 45	10 52	15 99	10 46		
Registrar's fees.....	18,594 59	17 39	15 00	27 05	13 55	20 63	19 90	14 21	11 50	7 95	8 63	11 19	8 04		
Inspectors' fees and expenses.....	25,600 71	23 95	18 57	23 41	34 20	30 27	15 37	30 47	35 20	34 79	16 12	12 33	23 26		
Miscellaneous.....	98,273 70	91 93	127 99	80 43	39 87	69 12	47 18	179 28	159 75	158 29	80 74	98 23	123 37		
Loss on operations.....	9,965 53	9 32													
Trustee's fee (less deficit).....	136,254 41	127 46	93 83	120 35	186 07	137 66	88 36	136 62	230 12	172 92	165 39	170 32	149 41		
Trustee Costs.....	371,147 28	347 19	313 46	346 39	328 40	335 21	232 34	444 68	681 74	456 60	338 25	449 20	399 50		
Legal—															
On petition or assignment.....	41,633 48	38 94	39 84	37 99	58 34	53 33	32 62	27 11	50 65	26 49	22 78	32 81	62 33		
Solicitor to estate.....	74,891 51	70 06	57 34	48 74	35 53	60 06	33 92	131 48	158 74	93 38	27 89	62 87	116 02		
Awarded against trustee.....	5,105 88	4 78				3 37	0 22	20 43	3 12				18 80		
Legal Costs.....	121,630 87	113 78	97 18	86 73	93 87	116 76	66 76	179 02	212 51	119 87	50 67	95 68	197 15		
TOTAL COST OF ADMINISTRATION.....	603,182 29	564 24	475 63	560 35	493 92	564 51	384 06	741 21	1,018 06	729 82	521 05	662 66	665 41		
AVAILABLE FOR DISTRIBUTION.....															
Levy.....	7,843 61	7 34	6 00	5 49	14 11	8 10	3 42	10 34	13 91	11 87	10 47	10 46	9 87		
Paid to secured creditors.....	519,408 64	485 85	317 94	33 12	513 43	849 59	169 19	844 27	600 78	436 62	9 28	702 69	252 16		
Paid to preferred creditors.....	458,537 06	428 94	203 31	358 28	72 15	453 41	234 39	549 84	1,264 96	359 09	278 40	507 17	486 60		
Paid to ordinary creditors.....	676,153 40	632 51	556 37	677 80	2,223 23	610 56	230 10	820 35	1,255 44	1,563 84	1,666 64	890 84	879 39		
Total Dividend.....	1,661,942 71	1,554 67	1,083 62	1,074 69	2,822 92	1,921 66	637 10	2,224 80	3,135 09	2,371 42	1,964 79	2,111 16	1,628 02		
Percentage cost of administration.....	26.63%	26.63%	30.51%	34.27%	14.89%	22.71%	37.62%	24.99%	24.51%	23.53%	20.96%	23.89%	29.02%		
Assets realized by secured creditors.....	3,810,708 00	3,565 00	3,369 00	3,238 00	683 00	2,835 00	2,004 00	4,691 00	12,201 00	2,728 00	5,636 00	1,573 00	2,269 60		

PART III

COMPARATIVE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

(Exclusive of "Old" Estates Referred to in Part IV)

TABLE XIII.—CLASSIFICATION OF ESTATES ACCORDING TO SIZE

Province or City	\$500 or under	\$501–1,000	\$1,001–2,500	\$2,501–5,000	\$5,001–10,000	Over \$10,000	Total
Nova Scotia.....	14	8	10	1	1	1	35
New Brunswick.....	6	6	9	5	1	0	27
Prince Edward Island.....	1	1	2	2	0	1	7
Quebec.....	98	57	50	23	13	13	254
Montreal.....	246	58	54	20	10	4	392
Ontario.....	63	26	35	19	12	9	164
Toronto.....	19	16	15	16	6	7	79
Manitoba.....	14	8	5	1	2	5	35
Saskatchewan.....	12	5	7	2	0	2	28
Alberta.....	2	2	7	5	1	1	18
British Columbia.....	9	6	6	4	4	1	30
Total.....	484	193	200	98	50	44	1,069
Percentage.....	45.28%	18.05%	18.71%	9.17%	4.68%	4.11%	100%

TABLE XIV.—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
\$500 or under.....	484	109,819 21	92,029 63	226 90	190 14	83.76
\$501 – \$1,000.....	193	137,566 50	74,217 54	712 78	384 55	53.93
\$1,001 – \$2,500.....	200	317,601 78	110,560 35	1,558 01	552 80	35.48
\$2,501 – \$5,000.....	98	343,748 15	97,319 49	3,507 63	993 06	28.31
\$5,001 – \$10,000.....	50	355,514 20	83,754 26	7,110 28	1,675 09	23.56
Over \$10,000.....	44	1,000,875 16	145,301 02	22,747 16	3,302 29	14.52
Total.....	1,069	2,265,125 00	603,182 29	2,118 91	564 24	26.63



TABLE XIV.—(1) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING  
TO SIZE OF ESTATES  
ESTATES OF \$500 OR LESS

Province or City	Number of Estates	Realization	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
Nova Scotia.....	14	3,017 97	2,146 56	215 57	153 33	70.99
New Brunswick.....	6	2,067 49	1,403 59	344 58	233 93	67.81
Prince Edward Island.....	1	156 21	156 21	156 21	156 21	100.00
Quebec.....	98	23,464 90	20,720 87	239 44	211 44	88.47
Montreal.....	246	51,306 83	45,696 28	208 56	185 76	88.88
Ontario.....	63	17,624 98	13,912 09	279 76	220 83	78.87
Toronto.....	19	3,637 31	2,539 59	191 44	133 66	69.98
Manitoba.....	14	2,137 68	1,785 04	152 69	127 50	83.33
Saskatchewan.....	12	2,795 90	1,534 45	232 99	127 87	54.88
Alberta.....	2	559 64	495 80	279 82	247 90	88.54
British Columbia.....	9	2,050 30	1,639 15	227 81	182 13	79.88
Total.....	484	109,819 21	92,029 63	226 90	190 14	83.76

TABLE XIV.—(2) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING  
TO SIZE OF ESTATES  
ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of Estates	Realization	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
Nova Scotia.....	8	5,755 48	2,828 61	719 44	353 58	49.18
New Brunswick.....	6	3,741 83	2,482 33	623 64	413 72	66.30
Prince Edward Island.....	1	685 35	305 09	685 35	305 09	44.47
Quebec.....	57	40,182 40	22,145 13	704 95	388 51	55.11
Montreal.....	58	40,083 66	24,148 13	691 10	416 35	60.25
Ontario.....	26	18,559 47	7,928 43	713 83	304 94	42.71
Toronto.....	16	12,722 56	6,723 62	795 16	420 23	52.86
Manitoba.....	8	5,525 48	2,518 88	690 69	314 86	45.57
Saskatchewan.....	5	3,678 34	1,921 76	735 67	384 35	52.22
Alberta.....	2	1,795 07	740 80	897 53	448 76	49.97
British Columbia.....	6	4,836 86	2,474 76	806 14	412 46	51.17
Total.....	193	137,566 50	74,217 54	712 78	384 55	53.93

TABLE XIV.—(3) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING  
TO SIZE OF ESTATES  
ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of Estates	Realization	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
Nova Scotia.....	10	16,207 09	5,527 28	1,620 71	552 73	34.10
New Brunswick.....	9	14,837 88	5,352 22	1,648 65	594 69	36.06
Prince Edward Island.....	2	4,230 41	689 70	2,115 20	344 85	16.31
Quebec.....	50	76,143 95	25,148 23	1,522 88	502 96	33.02
Montreal.....	54	89,961 93	31,191 38	1,665 96	577 62	34.67
Ontario.....	35	53,928 12	20,190 68	1,540 80	576 88	37.44
Toronto.....	15	23,945 30	10,103 35	1,596 35	673 56	42.20
Manitoba.....	5	7,140 74	2,849 38	1,428 15	569 88	39.91
Saskatchewan.....	7	12,313 02	4,097 61	1,759 00	585 37	33.28
Alberta.....	7	10,092 85	2,564 63	1,441 84	366 38	25.41
British Columbia.....	6	9,800 46	2,845 89	1,633 41	474 31	29.05
Total.....	200	317,601 78	110,560 35	1,558 01	552 80	35.48



## THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIV.—(4) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
Nova Scotia.....	1	3,272 63	1,538 82	3,272 63	1,538 82	47·02
New Brunswick.....	5	16,975 55	5,185 66	3,395 11	1,037 13	30·55
Prince Edward Island.....	2	6,075 96	859 52	3,037 98	429 76	14·15
Quebec.....	23	79,334 20	23,061 82	3,449 31	1,002 69	29·07
Montreal.....	20	72,774 33	17,434 62	3,638 72	871 73	23·96
Ontario.....	19	67,654 57	17,432 25	3,560 77	917 49	25·76
Toronto.....	16	56,030 07	18,313 02	3,501 88	1,144 56	32·68
Manitoba.....	1	4,319 13	1,069 62	4,319 13	1,069 62	24·76
Saskatchewan.....	2	6,822 72	2,228 86	3,411 36	1,114 43	32·67
Alberta.....	5	14,762 77	4,541 31	2,952 55	908 26	30·76
British Columbia.....	4	15,726 22	5,653 99	3,931 56	1,413 50	35·95
Total.....	98	343,748 15	97,319 49	3,507 63	993 06	28·31

TABLE XIV.—(5) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
Nova Scotia.....	1	5,007 73	483 68	5,007 73	483 68	9·66
New Brunswick.....	1	6,523 42	705 71	6,523 42	705 71	10·82
Prince Edward Island.....						
Quebec.....	13	94,974 67	16,404 91	7,305 74	1,261 91	17·27
Montreal.....	10	68,132 42	19,148 83	6,813 24	1,914 88	28·11
Ontario.....	12	86,225 59	24,773 49	7,185 46	2,064 46	28·73
Toronto.....	6	47,891 33	12,570 64	7,981 89	2,095 11	26·25
Manitoba.....	2	13,127 04	2,308 05	6,563 52	1,154 02	17·58
Saskatchewan.....						
Alberta.....	1	9,357 23	1,317 03	9,357 23	1,317 03	14·08
British Columbia.....	4	24,274 77	6,041 92	6,068 69	1,510 48	24·89
Total.....	50	355,514 20	83,754 26	7,110 28	1,675 09	23·56

TABLE XIV.—(6) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$10,000

Province or City	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	%
Nova Scotia.....	1	21,312 85	4,122 17	21,312 85	4,122 17	19·34
New Brunswick.....						
Prince Edward Island.....	1	12,069 97	1,446 94	12,069 97	1,446 94	11·99
Quebec.....	13	317,387 44	35,906 46	24,414 42	2,762 03	11·32
Montreal.....	4	78,036 96	12,932 52	19,509 24	3,233 13	16·57
Ontario.....	9	242,432 79	37,321 07	26,936 98	4,146 79	15·39
Toronto.....	7	183,872 42	30,176 76	26,267 49	4,310 97	16·41
Manitoba.....	5	76,293 60	15,012 87	15,258 72	3,002 57	19·68
Saskatchewan.....	2	43,993 55	4,806 74	21,996 77	2,403 37	10·93
Alberta.....	1	13,361 22	2,268 32	13,361 22	2,268 32	16·98
British Columbia.....	1	12,114 36	1,307 17	12,114 36	1,307 17	10·79
Total.....	44	1,000,875 16	145,301 02	22,747 16	3,302 29	14·52

TABLE XV.—RECAPITULATION OF PERCENTAGE COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

Province or City	\$500 or under	\$501-1,000	\$1,001-2,500	\$2,501-5,000	\$5,001-10,000	Over \$10,000	Total
	%	%	%	%	%	%	%
Nova Scotia.....	70.99	49.18	34.10	47.02	9.66	19.34	30.51
New Brunswick.....	67.81	66.30	36.06	30.55	10.82	.....	34.27
Prince Edward Island.....	100.00	44.47	16.31	14.15	.....	11.99	14.89
Quebec.....	88.47	55.11	33.02	29.07	17.27	11.32	22.71
Montreal.....	88.88	60.25	34.67	23.96	28.11	16.57	37.62
Ontario.....	78.87	42.71	37.44	25.76	28.73	15.39	24.99
Toronto.....	69.98	52.86	42.20	32.68	26.25	16.41	24.51
Manitoba.....	83.33	45.57	39.91	24.76	17.58	19.68	23.53
Saskatchewan.....	54.88	52.22	33.28	32.67	.....	10.93	20.96
Alberta.....	88.54	49.97	25.41	30.76	14.08	16.98	23.89
British Columbia.....	79.88	51.17	29.05	35.95	24.89	10.79	29.02
Average percentage cost for Canada.....	83.76	53.93	35.48	28.31	23.56	14.52	26.63

## PART IV

TABLE XVI.—OLD ESTATES CLOSED IN 1936

Size of Estates	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	88	22,360	22,360	254 09	254 09	100.00
\$501 to \$1,000.....	42	31,146	21,191	741 57	504 57	68.04
\$1,001 to \$2,500.....	63	101,828	45,019	1,616 31	714 59	44.21
\$2,501 to \$5,000.....	45	156,194	57,165	3,470 98	1,270 33	36.59
\$5,001 to \$10,000.....	31	208,473	77,644	6,724 93	2,504 64	37.26
\$10,001 or over.....	51	4,090,155	990,541	80,199 12	19,422 37	24.21
Total.....	320	4,610,156	1,213,920	14,406 74	3,793 50	26.33

In addition to the 320 estates reported in the above table, 160 old estates which had been re-opened for various reasons were finally closed in 1936.

TABLE XVII.—OTHER ESTATES COMPLETED IN 1936

ESTATES RE-OPENED TO REALIZE AND DISTRIBUTE AFTER ACQUIRED ASSETS

Province or City	Estate Originally closed	Subsequent Realization	Cost of Administration	Paid to Creditors
		\$ cts.	\$ cts.	\$ cts.
Montreal.....	Dec. 1934	550 00	249 66	300 34
Montreal.....	Dec. 1933	178 90	174 53	4 37
Quebec.....	May 1934	18,000 00	2,473 07	15,526 93
Toronto.....	Dec. 1934	360 43	174 59	185 84
Manitoba.....	Aug. 1935	262 18	39 37	222 81
Total.....	.....	19,351 51	3,111 22	16,240 29

PART V

MISCELLANEOUS INFORMATION

TABLE XVIII.—APPLICATIONS OF DEBTORS FOR THEIR DISCHARGE FROM  
BANKRUPTCY DEALT WITH IN 1936

Province or City	Dis- charges applied for	Granted uncondi- tionally	Suspended					Bankrupt- cies annulled	Applica- tions refused
			Six months	One year	Two years	Three years	Until 50% paid		
Nova Scotia.....	7	4							3
New Brunswick.....									
Prince Edward Island...	3	3							
Quebec.....	48	47							1
Montreal.....	155	76	32	16	17	1	7	6	
Ontario.....	11	11						1	1
Toronto.....	16	14							
Manitoba.....	1	1							
Saskatchewan.....	5	5							
Alberta.....	1	1							
British Columbia.....	4	4							
Total.....	251	166	32	16	17	1	7	7	5

TABLE XIX.—BANKRUPTCIES SETTLED BY PROPOSALS OF COMPOSITION  
EXTENSION, OR SCHEME OF ARRANGEMENT

Nova Scotia.....	-
New Brunswick.....	1
Prince Edward Island.....	-
Quebec.....	18
Montreal.....	13
Ontario.....	-
Toronto.....	-
Manitoba.....	-
Saskatchewan.....	-
Alberta.....	-
British Columbia.....	-
Total.....	32



PART VI  
THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934  
TABLE XX—ASSETS AND LIABILITIES OF ESTATES REPORTED IN 1936

Province	Number of estates	Assets			Total assets \$ cts.	Average assets per estate \$ cts.	Liabilities		Total liabilities \$ cts.	Average liabilities per estate \$ cts.
		Land	Livestock	Machinery			Secured and preferred \$ cts.	Ordinary \$ cts.		
Nova Scotia.....	0	6,000 00	990 00	1,005 00	7,995 00	1,998 75	12,252 39	3,948 67	16,201 06	4,050 27
New Brunswick.....	4	5,500 00	680 00	1,272 00	7,452 00	3,726 00	7,432 50	2,574 64	10,007 14	5,003 57
Prince Edward Island.....	2	130,236 00	16,871 90	20,731 25	167,839 15	3,356 78	170,479 39	54,213 94	224,693 33	4,493 87
Quebec.....	50	63,260 00	7,886 50	7,888 75	79,035 25	3,293 14	139,102 90	73,379 46	212,482 36	8,853 43
Ontario.....	24	30,273 68	5,957 00	5,427 00	41,657 68	2,777 18	46,588 38	18,715 04	65,303 42	4,353 56
Manitoba.....	15	244,600 00	28,479 00	47,714 05	320,793 05	5,012 39	460,476 18	102,216 37	562,692 55	8,792 07
Saskatchewan.....	64	98,312 00	12,178 50	22,150 50	132,641 00	3,901 21	237,319 50	80,224 02	317,543 52	9,339 52
Alberta.....	34	15,575 00	1,686 00	4,862 00	22,123 00	7,374 33	24,593 20	16,142 63	40,735 83	13,578 61
British Columbia.....	3									
Total.....	196	593,756 68	74,728 90	111,050 55	779,536 13	3,977 23	1,098,244 44	351,414 77	1,449,659 21	7,396 22

TABLE XXI—ESTATES CLOSED DURING 1936

Province	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
Number of estates	0	13	2	32	15	20	116	60	1	259
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Liabilities (as estimated by farmers)		46,003 16	22,397 50	165,109 64	113,531 85	149,375 44	1,228,380 18	696,223 40	5,353 05	2,426,374 22
Assets (as estimated by farmers)...		15,741 15	13,670 00	95,100 00	42,164 31	83,861 05	670,725 75	303,507 50	2,428 00	1,227,197 76
TRUSTEE'S RECEIPTS										
Realization of assets.....		1,878 68	2,970 38	31,555 69	6,292 39	958 87	5,763 70	1,718 31	.....	51,138 02
Advanced by Department to cover deficit.....		312 87	14 90	182 32	98 87	241 48	2,462 41	943 42	56 43	4,312 70
Total Receipts.....		2,191 55	2,985 28	31,738 01	6,391 26	1,200 35	8,226 11	2,661 73	56 43	55,450 72
TRUSTEE'S DISBURSEMENTS										
Paid to creditors.....		1,540 90	2,566 39	28,273 87	4,015 99	614 33	2,735 42	1,111 76	.....	40,858 66
Levy.....		5 44	12 90	191 68	40 39	3 46	15 90	5 81	.....	275 58
Exemptions allowed farmers.....		.....	.....	.....	1,022 16	.....	184 13	.....	.....	1,206 29
Undistributed assets vested in Receiver General.....		5 78	.....	3 55	8 24	3 65	138 32	46 16	.....	205 70
Cost of administration (including trustee fee).....		639 43	405 99	3,268 91	1,304 48	578 91	5,152 34	1,498 00	56 43	12,904 49
Total Payments.....		2,191 55	2,985 28	31,738 01	6,391 26	1,200 35	8,226 11	2,661 73	56 43	55,450 72
Average Cost per Estate....		49 19	203 00	102 15	86 97	28 95	44 42	24 97	56 43	49 82
Percentage Cost Borne by Department.....		48.93	3.67	5.58	7.58	41.71	47.79	62.98	100	33.42













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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY

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FOR THE CALENDAR YEAR 1937

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Published by Authority of HON. CHARLES A. DUNNING, M.P.,  
Minister of Finance



OTTAWA  
J. O. PATENAUDE, I.S.O.  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
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The Honourable CHARLES A. DUNNING, M.P.,  
Minister of Finance,  
Ottawa.

SIR,—I have the honour to submit my fifth Annual Report on the administration of The Bankruptcy Act during the year ending December 31, 1937.

Five years of administration under The Bankruptcy Act Amendment Act, 1932, which introduced the licensing of trustees and the supervision of the administration of trustees, were completed on December 1, 1937. An attempt has been made in the present report to show what has been accomplished by the Amendments of 1932 in this five-year period.

Yours very truly,

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, May 27, 1938.

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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1937

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## 1. APPOINTMENTS UNDER THE BANKRUPTCY ACT

### (a) OFFICIAL RECEIVERS

Percy Martin, Esq., Deputy Prothonotary of the Superior Court, Chicoutimi, appointed Official Receiver for Bankruptcy Division No. 7, Quebec, effective February 24, 1937, vice Leonidas Gagne, resigned. (P.C. 381, February 24, 1937.)

Harry W. Hickman, Esq., Barrister-at-Law, Moncton, appointed Official Receiver for Bankruptcy Division No. 4, New Brunswick, effective April 29, 1937, vice James C. Sherren, deceased. (P.C. 970, April 29, 1937.)

Aza Balthe Girard, Esq., Sheriff and Local Registrar of the Supreme Court, North Bay, appointed Official Receiver for Bankruptcy Division No. 13, Ontario, effective August 6, 1937, vice Thomas J. Bourke, deceased. (P.C. 1859, August 6, 1937.)

J. Edmond Gagnon, Esq., Advocate, Prothonotary of the Superior Court, New Carlisle, appointed Official Receiver for Bankruptcy Division No. 11, Quebec, effective October 20, 1937, vice T. A. Blanchet, resigned. (P.C. 2609, October 20, 1937.)

Cleeve Gilbert White, Esq., Barrister-at-Law, Local Registrar of the Supreme Court, Victoria, appointed Official Receiver for Bankruptcy Division No. 2, British Columbia, effective October 27, 1937, vice B. H. Tyrwhitt Drake, resigned. (P.C. 2650, October 27, 1937.)

### (b) REGISTRARS IN BANKRUPTCY AND TAXING OFFICERS

Joseph Dandurand, Esq., Prothonotary of the Superior Court, Chicoutimi, appointed by the Honourable Acting Chief Justice of the Superior Court of the Province of Quebec to be joint Registrar in Bankruptcy for Bankruptcy Division No. 7 of the District of Quebec, February 8, 1937.

J. Edmond Gagnon, Esq., Advocate, Prothonotary of the Superior Court, New Carlisle, appointed by the Honourable Acting Chief Justice of the Superior Court of the Province of Quebec to be Registrar in Bankruptcy and Taxing Officer in Bankruptcy for Bankruptcy Division No. 11 of the District of Quebec, October 28, 1937, vice T. A. Blanchet, resigned.

Cleeve Gilbert White, Esq., Barrister-at-Law, Local Registrar of the Supreme Court, Victoria, appointed by the Honourable Chief Justice of the Supreme Court of British Columbia to be Registrar in Bankruptcy and Taxing Officer in Bankruptcy for Bankruptcy Division No. 2 of the District of British Columbia, November 5, 1937, vice B. H. Tyrwhitt Drake, resigned.

## 2. LICENSING AND SUPERVISORY ACTIVITIES

### (i) LICENSING OF TRUSTEES

#### (a) *Licences Granted for 1937*

Renewal certificates for 1937 were issued to 269 of the 295 trustees whose licences expired on December 31, 1936. In addition, 9 new licences were issued during the year 1937, bringing the total number of licences in force in 1937 to 278.

*(b) Licences Cancelled in 1937*

Eight licences were cancelled during the year. Five trustees were removed by death, one withdrew from practice, and the licences of two trustees were cancelled. Two licences, which had not been renewed for 1937, were also cancelled.

*(c) Renewal of Licences for 1938*

Of the 270 trustees whose licences expired on December 31, 1937, 254 applied for certificates of renewal for 1938; 250 of these applications have been granted.

*(d) Distribution of Licences*

The following table shows the distribution by provinces of the 250 licences renewed for 1938. In this table trustees licensed to operate in two or more provinces are shown only in the provinces in which their head offices are situated:—

Nova Scotia.....	11	Quebec.....	103	Saskatchewan.....	5
New Brunswick.....	7	Ontario.....	91	Alberta.....	4
Prince Edward Island....	2	Manitoba.....	9	British Columbia.....	18

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces, mostly trust companies with offices in the larger centres across Canada, are included in the total for each province in which they operate:—

Nova Scotia.....	16	Quebec.....	111	Saskatchewan.....	16
New Brunswick.....	12	Ontario.....	101	Alberta.....	14
Prince Edward Island....	4	Manitoba.....	17	British Columbia.....	24
		Northwest Territories.....	1		

The following statement shows the number of licences issued during the five-year period ending December 31, 1937:—

—	1933	1934	1935	1936	1937	Total
New Licences issued.....	364	23	19	9	9	424
Licences renewed.....		328	301	292	269	.....
Total.....	364	351	320	301	278	424

Cancellations during the same period were as follows:—

—	1933	1934	1935	1936	1937	Total
Death of trustees.....	2	2	2	3	5	14
Resigned.....		2	1	1	1	5
Cancelled for cause.....	2	3	.....	2	3	10
Renewals not granted.....	5	2	3	5	6	21
Renewals not applied for.....	27	41	22	21	13	124
Total.....	36	50	28	32	28	174



These figures show a net reduction of more than thirty per cent in the number of licencees during this period. This decrease has resulted mainly from the voluntary retirement or withdrawal from practice of licencees who found that the volume of work to be had was not sufficient to warrant the renewal of their licences and qualifying bonds. The decrease in the number of new bankruptcies during the period has presumably accelerated the rate of withdrawal to some extent.

While the number of licensed trustees has been reduced to a figure more commensurate with the volume of work to be done, a further decrease would seem to be desirable in the larger centres of population in some of which the number of licencees is greatly in excess of those actually required. There is still a feeling in some quarters that any person who considers himself qualified to act as a trustee and desires to do so should be given an opportunity to demonstrate his ability, regardless of the number of trustees already licensed in his particular locality and whether or not there is any real need for an additional appointment. There is no doubt, however, that the sounder policy in the licensing of trustees is based on the principle that additional licences should be granted only when necessary in the public interest and when required for the convenience of the public. Any substantial deviation from this policy might lead to the reappearance of many of the abuses which the licensing system was designed to remove.

## (ii) BANKRUPTCIES REPORTED AND ESTATES ADMINISTERED

There were 967 bankruptcies reported during 1937 compared with 1,154 during 1936, a decrease of 187 in 1937. Comparative figures for all provinces for the five-year period ending December 31, 1937, are as follows:—

Year	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
1933.....	68	57	12	740	652	573	180	76	73	102	71	2,604*
1934.....	42	34	8	365	429	269	95	54	31	31	53	1,411
1935.....	36	35	4	303	490	203	82	31	23	22	34	1,263
1936.....	33	20	6	304	406	210	78	24	20	20	33	1,154
1937.....	16	16	.....	259	342	182	70	16	14	18	34	967

\* These figures cover the thirteen-month period from December 1, 1932, (when The Bankruptcy Act Amendment Act, 1932, came into effect, to December 31, 1933.

Liabilities and assets for the 967 estates reported during 1937 were estimated and valued by the debtors at \$14,234,977 and \$13,121,827, respectively. Liabilities and assets for 1,154 estates reported during 1936 were \$14,349,068 and \$11,910,059, respectively. Reference to Table I of the Appendix shows the average liabilities and assets of estates reported during 1937 (\$14,721 and \$13,570, respectively) to be appreciably higher than the average for estates reported during 1936 (\$12,434 and \$10,321, respectively).

The administration of 1,149 estates was completed and the trustees discharged in 1937, as compared with 1,069 estates completed in 1936. A survey of the administration of the estates closed in 1937 gives the following information and results:—

Total liabilities estimated by debtors at.. . . . .	\$ 20,431,515
Total assets valued by debtors at.. . . . .	18,397,022
which realized.. . . . .	2,805,743
Distributed as follows:—	
Payments to creditors.. . . . .	2,035,180
Cost of administration.. . . . .	770,563

Also, securities to an estimated value of \$3,579,221 were realized or taken over by secured creditors, making in all a return to creditors in cash or in kind of \$5,614,401, or 27·48 per cent of the estimated liabilities, leaving an estimated net loss to creditors of \$14,817,114, or 72·52 per cent of the total liabilities.



## THE SUPERINTENDENT OF BANKRUPTCY

In addition to the 967 bankruptcies reported during 1937, and to the 1,149 estates that were closed in this year, 126 old bankruptcies (estates in existence prior to The Bankruptcy Act Amendment Act, 1932), were reported to this office, and the administration of 260 old estates was completed and the trustees discharged. Altogether the administration of 2,662 new estates and 1,232 old estates was under supervision during the year. Detailed information regarding the number and location of bankruptcies reported, size of estates, realization of assets, payments to creditors, administrative costs, etc., will be found in the tables forming the Appendix to this report.

During the period December 1, 1932—December 31, 1937, 7,399 new bankruptcies were reported. The administration of 5,886 of these estates has been completed and the trustees discharged, the record thereof being as follows:—

Year	Bank- ruptcies Reported	Estates Closed	Total Realization	Total Administra- tive Costs	*Cash Payments to Creditors
			\$	\$	\$
1933.....	2,604	850	1,873,225	423,833	1,449,392
1934.....	1,411	1,620	3,788,823	880,803	2,908,020
1935.....	1,263	1,198	2,784,485	763,617	2,020,868
1936.....	1,154	1,069	2,265,125	603,182	1,661,943
1937.....	967	1,149	2,805,743	770,563	2,035,180
Total.....	7,399	5,886	13,517,401	3,441,998	10,075,403

\* Exclusive of assets transferred to or realized by secured creditors.

There were also reported, in addition to the above, 4,033 old bankruptcies (estates already in existence at December 1, 1932). The administration of 2,806 of these estates has been completed during this period with results, as shown by the record, as follows:—

Year	Old Bank- ruptcies Reported	Old Estates Closed	Total Realization	Total Adminis- trative Costs	Cash Payments to Creditors
			\$	\$	\$
1933.....	1,340	860	5,640,306	1,540,516	4,099,790
1934.....	2,030	938	5,011,959	1,348,140	3,663,819
1935.....	343	428	2,684,505	731,512	1,952,993
1936.....	194	320	4,610,156	1,213,920	3,396,236
1937.....	126	260	2,210,285	517,372	1,692,913
Total.....	4,033	2,806	20,157,211	5,351,460	14,805,751

Further to the 2,806 estates reported in the above table, 332 old estates which had been opened for various reasons were finally closed during the period under review.

There were 1,513 new estates and 895 old estates under administration at the end of 1937.

## (iii) COMPLAINTS AND INVESTIGATIONS

During the year eighty-five complaints were registered against forty-nine trustees. Seventy-eight of these complaints related to estates under the administration of licensed trustees. The remaining seven related to estates which came into existence prior to December 1, 1932, in which the trustees are not licensed. All but eight of these complaints were made by creditors or on their behalf. Six were received from debtors and two from trustees.

Complaints received from creditors may be classified as follows:—

Delay in winding up estates.. . . . .	29
Delay in payment of claims.. . . . .	6
Unable to obtain reports.. . . . .	11
Irregular disposal of assets.. . . . .	4
High administrative costs.. . . . .	11
Miscellaneous.. . . . .	16

Sixty of the eighty-five complaints received were investigated and satisfactorily disposed of by correspondence. Twenty-five, directed against the administration of twelve trustees, were the subject of special investigations.

In the five-year period now completed the number of complaints received has decreased considerably, the figures for 1933 to 1937 being 134, 105, 86, 72 and 85, respectively. As indicated above, the majority of the complaints received deals with delays in the administration of estates and in the payment of preferred or other claims. In many of these cases it has been found on investigation that the delays complained of were due to circumstances beyond the control of the trustees. In those cases in which the trustees were found to be at fault they were required to take the necessary remedial action without further delay.

Sixteen outside investigations were made by members of the staff during the year. Twelve of these investigations were made following the receipt of complaints from creditors and others. It was also found necessary to make inspections of the records and accounts of four trustees.

A total of forty-nine outside investigations and inspections has been made in the five-year period now completed. All but four of these investigations were concerned with the administration of licensed trustees. These investigations resulted in the cancellation or non-renewal of the licences of fifteen trustees.

## 3. GENERAL OBSERVATIONS ON BANKRUPTCY ADMINISTRATION

A brief statement of what has been accomplished in the five-year period since The Bankruptcy Act Amendment Act, 1932, came into force may not be out of place at this time. The Amendments of 1932 were introduced to eliminate the evils and abuses that had prevailed in bankruptcy administration for some years. Fraudulent bankruptcies, defaulting and absconding trustees, collusion and connivance between debtors and trustees, the solicitation of assignments, excessive costs, and unnecessary delays in the administration of estates were among the principal abuses alleged to exist. The practically unanimous opinion of the authorities consulted was that the most effective remedy would be found in the licensing of trustees and in the supervision of their operations. Provision to secure this control was the most important change introduced by The Bankruptcy Act Amendment Act, 1932, and the new legislation was declared to come into effect on December 1 of that year. The introduction of the licensing system and the appointment of persons of integrity and competence as trustees had as its immediate effect the eradication of the more serious abuses formerly complained of, most of which had resulted from the facility with which irresponsible and unscrupulous persons were able under the old system to inject



themselves into the administration of bankrupt estates. The supervision of the operations of trustees, with the co-operation of those directly interested in bankruptcy administration, has been successful, it is believed, in eliminating most of the abuses formerly the subject of complaint.

In the work of supervision stress has been placed on the need for prompt and diligent action consistent with the interests of the estate in the liquidation of assets, the payment of dividends, and the completion of the administration. Economic conditions during the past five years have not been particularly conducive to the expeditious realization of assets, particularly in cases in which there has been real property to be liquidated, but in all cases trustees have been reminded that the liquidation of estates should proceed with due diligence and should not be allowed to lapse into a mere administrative occupation over an indefinite length of time.

Close attention has also been given to the expense involved in bankruptcy proceedings and in the administration of estates. Prior to the introduction of supervision costs had been found not only to be excessive in many cases, but to vary widely from one province (bankruptcy district) to another and even in the different bankruptcy divisions of some of the provinces. In these matters, with the co-operation of court officials and others, very satisfactory results have been obtained, and costs in the various proceedings and in the administration of estates are now much more uniform and moderate, with resulting benefits to the creditors. All items of costs constituting a charge against the assets of bankrupt estates are closely analysed each year on a percentage basis and can be controlled to some extent, but in view of the differing sizes, circumstances and locations of estates and the widely varying complexities of administration, such costs must necessarily be relative and variable having regard to circumstances, times and places.

The co-operation of Official Receivers has been especially enlisted with a view to securing a more effective observance of the provisions of the Act pertaining to the examination of debtors. In the majority of cases, before the introduction of the Amendments of 1932, the examination of the debtor under Section 128 of The Bankruptcy Act had become a routine formality. The practice grew up of the debtor being required merely to answer the questions in the questionnaire, Form 50, the answers to which were entered on the form by a trustee or an employee of the latter by whom the form, when sworn to by the debtor, was filed. Needless to say, the Act requires every debtor to present himself to the Official Receiver for examination as to the causes of his insolvency and the disposition of his assets, and the Official Receiver is required to make notes of his examination which he is to submit to the creditors at their first meeting. The importance of a thorough examination being made in every case needs no comment, as it is principally by this means that an accurate understanding of all the facts and circumstances of the bankruptcy can be obtained, and there is no doubt that neglect to make effective examinations opened the way to abuses in the past. It is gratifying to note, however, that in this respect the provisions of the Act are now more closely observed.

Of the special features of bankruptcy administration to receive attention may be mentioned wage-earner and "no asset" assignments. Complaints had been received with regard to the large number of wage-earners and other non-traders who, without assets of any kind, were making assignments, chiefly, it was claimed, to prevent the creditors from exercising their ordinary legal recourse. It was found that the situation if not closely watched might readily lead to grave abuse. The necessary measures were taken in the meantime to counteract any malpractice which might possibly develop from this course by insisting that trustees in "no asset" cases proceed expeditiously to their discharge so that the creditors may be placed in the position of exercising their ordinary civil rights.



It had been found also that the procedure on applications of debtors for their discharge from bankruptcy had become in some quarters, and contrary to the provisions of the Act, a mere routine formality. The circumstances in which these applications were being disposed of and discharges granted were immediately brought to the attention of the authorities concerned, with gratifying results. Particular attention has also been given to the reports of trustees on the applications of debtors for their discharge, in order that the court may have before it at the hearing of the application a complete, accurate and impartial statement of the facts and circumstances of the bankruptcy.

Collusion between debtors and trustees, the solicitation of bankruptcies and other irregularities of the kind seem to have almost disappeared since the introduction of the licensing system. While defaults under the licensing system are not unknown, they have been comparatively few and the creditors have the consolation of knowing that they are indemnified against losses on this account. Fraudulent bankruptcies have become infrequent under more effective examination and supervision. It is a trite saying that men cannot be legislated into paths of virtue, and nowhere perhaps is this truth more in evidence than in the field of bankruptcy and insolvency.

#### 4. PROSECUTIONS IN BANKRUPTCY CASES

At the end of 1936 there were twenty-one cases in which investigations were being continued or in which criminal proceedings were pending before the courts. Thirty-five new cases, in which there were grounds to believe that offences had been committed and in which an investigation of some sort had been made, were reported in 1937. Twenty-two of these fifty-six cases were closed in 1937. In the remaining thirty-four proceedings were pending or contemplated at the end of 1937 or the investigations were being continued.

The accused persons were brought to trial in nine of the twenty-two cases closed in 1937. Four cases were dropped because of lack of funds or the indifference of the creditors to further investigate or prosecute. In five others there was insufficient proof of wrong-doing to warrant the institution of criminal proceedings. In one the investigation was dropped on a satisfactory settlement being made. In another, reported on the application of a debtor for his discharge, the application was refused. In an old case, reviewed in 1937, it was decided not to prosecute further. One accused escaped prosecution by absconding.

Convictions were obtained in seven of the nine cases brought to trial. In two the charges were dismissed, insufficient evidence being produced to warrant convictions. In one of the seven cases in which convictions were obtained the accused was subjected to payment of a fine. Sentences of imprisonment, varying from five months to two years were imposed in four cases, and in two of these heavy fines were also imposed. In one case the accused was sentenced to the time served in jail awaiting trial. In another the accused was released on suspended sentence, partial restitution having been made.

During the five-year period ending December 31, 1937, one hundred and fifty (150) cases of alleged offences in bankruptcy matters were reported. One hundred and sixteen (116) of these cases were disposed of and closed during the period. In sixty-three cases the accused were brought to trial. In eighteen of these the charges were dismissed or the accused acquitted. Thirty-nine convictions were registered, fines being imposed in five cases and sentences of imprisonment in twenty-nine. In four of these cases the convicted persons were released on suspended sentence, and in one case the conviction was set aside following appeal. In four cases charges laid by creditors were withdrawn on restitution or a satisfactory settlement being made. In two others the accused persons escaped prosecution by absconding.

Five appeals by convicted persons from conviction or sentence were disallowed, and in another case an application for leave to appeal against the sentences imposed was refused. In a further case an appeal by the Crown from the inadequacy of the sentence was also disallowed on technical grounds although the Appeal Court criticized the lower court very severely for the unjustified leniency of the sentence imposed.

No criminal proceedings were instituted in fifty-three of the one hundred and sixteen cases reported. Thirty-seven of these cases were dropped because of lack of funds, lack of evidence or the indifference of the creditors to further investigate or prosecute. This number, however, includes twenty-four cases in which the facts and circumstances of the offences believed to have been committed were reported to the court in accordance with the provisions of Section 195(2), but with regard to which no orders were made by the court. In twelve cases the accused persons escaped investigation and prosecution by absconding, and in four the contemplated proceedings were abandoned on restitution or a satisfactory settlement being made. The situation may therefore be summarized as follows:—

Number of offences reported.. . . .	150
Cases closed at December 31, 1937.. . . .	116
Criminal proceedings instituted and—	
Convictions obtained.. . . .	39
Charges dismissed or accused acquitted.. . . .	18
Charges withdrawn on settlement or restitution being made..	4
Accused absconded.. . . .	2
	63
No criminal proceedings taken owing to—	
Lack of funds or proof, etc.. . . . .	37
Accused absconding.. . . .	12
Settlements or restitution having been made.. . . .	4
	53
Cases pending at December 31, 1937.. . . .	34

It will be seen that in thirty-seven of the one hundred and sixteen cases closed the offenders escaped further investigation and prosecution because of lack of funds, lack of satisfactory proof, or the indifference of the creditors towards proceedings of this kind. The difficulties in the way of investigating bankruptcy offences and prosecuting dishonest debtors have been discussed in my reports for 1935 and 1936. Many of the offenders who have escaped investigation would undoubtedly have been prosecuted and punished were it not for the reluctance of the creditors, on whom the initiative of taking proceedings largely lies, to undertake the frequently substantial costs of investigation and prosecution.

Dissatisfaction is occasionally expressed by creditors at the seeming inadequacy of the punishment imposed following conviction in some cases, and there is no doubt that in a number of the cases reported to this office the offenders have been treated with great leniency. Omitting from consideration four convictions for conversion or theft prior to bankruptcy in which sentences of two, three, four, and ten years' imprisonment were imposed respectively, there were thirty-five cases in which forty-nine accused were convicted of various offences under The Bankruptcy Act. Thirty-two of these convicted persons were sentenced to terms of imprisonment varying from two months to two years. One was sentenced to the time served while awaiting trial. Five were released on suspended sentence. Eleven were fined in amounts ranging from one hundred to eight hundred dollars. Sentences of imprisonment were as follows:—

Two years.. . . .	2
Eighteen to twenty-three months.. . . .	4
Twelve to seventeen months.. . . .	9
Six to eleven months.. . . .	11
Less than six months.. . . .	6



In four of the six cases in which sentences of less than six months were given, fines varying in amount from two hundred to seven hundred dollars were also imposed. In three other cases in which the sentences were of twelve months or less, fines of five hundred dollars were also levied. In the eleven cases in which fines only were imposed the amounts of the penalties varied from one hundred to eight hundred dollars.

## 5. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Assignments under The Bankruptcy Act were made by 110 farmers in 1937, and twelve receiving orders were made against farmers who had failed to carry out the terms of their proposals, as provided for by Section 2 (3) of The Farmers' Creditors Arrangement Act.

The liabilities and assets of these 122 estates were estimated at \$873,429.97 and \$528,588.65, respectively, representing average liabilities of \$7,159.26 and assets of \$4,332.69 for each estate. Real property represented \$401,000 or 75.86 per cent of the assets, the balance, or \$127,588.65, consisting of live stock and machinery. Of the liabilities \$619,700.33 or 70.95 per cent of the total were either secured or preferred, the balance consisting of ordinary unsecured claims.

Including 191 estates carried over from 1936, there was under administration in 1937 a total of 313 farmer estates. Of these, 167 were completely administered and the trustees released during the year, leaving 146 on hand as at December 31, 1937.

The 167 estates closed in 1937 represented total liabilities of \$1,131,827.93 and assets of a total estimated value of \$641,095.90. The proceeds from the sale of assets by official receiver-trustees, exclusive of cash payments to farmers in lieu of exemptions, amounted to \$75,851.81, all of which, less administrative costs of \$11,174.68, was available for distribution to the creditors. In addition to the cash payments made to the creditors, land and chattels under mortgage or lien of an estimated value of \$335,551 were transferred to or repossessed by secured creditors.

Additional administrative costs of \$2,710.18 were paid by the Department, bringing the total administrative costs to \$13,884.86. The average cost of administering these estates amounted to \$83.14 only, of which \$16.23 or 19.52 per cent was paid by the Dominion Government.

The applications of sixty-four farmers for discharge from bankruptcy were disposed of by the courts during the year. Fifty-six of these applications were granted unconditionally, two were granted conditionally and two applications were suspended for a period of one year. Four applications were refused. Three applications for discharge were pending at the close of the year. In seven cases the assignments were annulled on the approval by the court of compositions or settlements accepted by the creditors. There were no prosecutions in bankruptcy cases under this Act in 1937.

Tables showing (1) liabilities and assets of farmer estates reported in 1937, and (2) details of the administration of estates closed in 1937, have been included in the Appendix to this report. The following table shows, by provinces, the number of assignments made under The Farmers' Creditors Arrangement Act since it came into effect on September 1, 1934:—





Net receipts and expenditures for the five-year period during which the office has been in operation were as follows:—

Year	Receipts			Expend- itures	Surplus or deficit
	Levy	Licences	Total		
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1933.....	13,958 92	19,688 20	33,647 12	24,957 36	8,689 76
1934.....	26,728 73	6,610 15	33,338 88	26,271 78	7,067 10
1935.....	16,331 02	6,900 00	23,231 02	27,004 33	—3,773 31
1936.....	14,084 39	5,810 00	19,894 39	29,717 41	—9,823 02
1937.....	50,901 23	5,607 50	56,508 73	30,823 87	25,684 86
Totals.....	122,004 29	44,615,85	166,620 14	138,774 75	27,845 39

Special reference should be made to the estate of Price Brothers & Company Limited, Quebec. Data are not included in this report on the administration of this estate as the reorganization of the company, completed in 1937, resulted in the payment in full of the claims of all creditors, secured and unsecured. This most satisfactory result was unquestionably due to the untiring efforts of the trustee who was able, after the submission of many schemes of reorganization which did not materialize, to effect an arrangement which retained for the shareholders all their equity in the assets. The figures in this estate were so large that the tables in the Appendix of this report would be abnormally unbalanced if included therein. The assets of the company were estimated in 1933 at a value of more than forty-five million dollars, claims of creditors fully secured amounted to fifteen and one-half million dollars, and liabilities of unsecured creditors amounted to one and one-half million dollars. Resulting therefrom the sum of \$32,500 was paid to the Receiver General as levy, which has been included in the receipts as shown above.





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## PART I

## BANKRUPTCIES REPORTED DURING 1937

TABLE 1.—NEW BANKRUPTCIES REPORTED

Province or City	Number of Estates Opened	Percentage of Total	Assets as Estimated by Debtors	Liabilities as Estimated by Debtors	Average per Estate	
					Assets	Liabilities
		%	\$	\$	\$	\$
Nova Scotia.....	16	1.65	270,079	357,122	16,880	22,320
New Brunswick.....	16	1.65	70,739	103,213	4,421	6,451
Prince Edward Island.....						
Quebec.....	259	26.79	1,627,358	2,374,899	6,283	9,169
Montreal.....	342	35.37	4,227,297	4,709,733	12,361	13,771
Ontario.....	182	18.82	2,069,354	2,853,547	11,370	15,679
Toronto.....	70	7.24	3,553,620	1,966,461	50,766	28,092
Manitoba.....	16	1.65	192,755	233,719	12,047	14,607
Saskatchewan.....	14	1.45	210,271	164,299	15,019	11,736
Alberta.....	18	1.86	162,130	265,814	9,007	14,767
British Columbia.....	34	3.52	738,224	1,206,170	21,712	35,476
Total.....	967	100.00	13,121,827	14,234,977	13,570	14,721

TABLE II.—OLD BANKRUPTCIES (ESTATES IN EXISTENCE PRIOR TO THE 1932 AMENDMENT) REPORTED TO SUPERINTENDENT DURING 1937

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
126	5	.....	2	23	31	27	13	5	4	6	10

TABLE III.—TOTAL BANKRUPTCIES REPORTED DURING 1937

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
1,093	21	16	2	282	373	209	83	21	18	24	44

TABLE IV.—ESTATES ON HAND AT 31st DECEMBER, 1937

Year	New Estates			Old Estates		
	Opened	Closed	Carried Over	Opened	Closed	Carried Over
1933.....	2,604	850	1,754	1,340	860	480
1934.....	1,411	1,620	1,545	2,030	1,033	1,477
1935.....	1,263	1,198	1,610	343	428	1,392
1936.....	1,154	1,069	1,695	194	480	1,106
1937.....	967	1,149	1,513	126	337	895
Total.....	7,399	5,886	1,513	4,033	3,138	895

Bankruptcy Administrations carried over to 1938—New..... 1,513  
 Old..... 895  
 Total..... 2,408

TABLE V.—PERCENTAGE OF ASSIGNMENTS AND RECEIVING ORDERS TO TOTAL NUMBER OF NEW BANKRUPTCIES REPORTED DURING 1937

Province or City	New Bankruptcies 1937	Assignments		Receiving Orders	
		Number	%	Number	%
Nova Scotia.....	16	14	87.50	2	12.50
New Brunswick.....	16	16	100.00		
Prince Edward Island.....					
Quebec.....	259	232	89.57	27	10.43
Montreal.....	342	290	84.80	52	15.20
Ontario.....	182	162	89.01	20	10.99
Toronto.....	70	51	72.86	19	27.14
Manitoba.....	16	14	87.50	2	12.50
Saskatchewan.....	14	12	85.71	2	14.29
Alberta.....	18	15	83.33	3	16.67
British Columbia.....	34	21	61.76	13	38.24
Total.....	967	827	85.52	140	14.48

TABLE VI.—OCCUPATIONAL CLASSIFICATION OF DEBTORS

	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
MANUFACTURE AND INDUSTRY—												
Lumber and Woodworking.....	1	2		9		1		2			6	21
Mining.....				2	3	2	9				4	20
Food Products.....	1			2	6	6	3			1		19
Furniture.....					5		1				1	7
Shoes and Leather Goods.....				6	2	1	2					11
Clothing.....				1	23	1	5					30
Auto supplies.....						2					1	3
Drugs and Chemicals.....				1	2		2					5
Brass and Iron Works.....					3							3
Printing and Publishing.....				4	5	2	3		1			15
Tobacco.....												
Fur.....												
Paint.....												
Brick and Cement.....												
Toys.....				1								1
Miscellaneous.....				3	7		3	1			2	16
Total.....	2	2	0	29	56	15	28	3	1	1	14	151
TRADE—												
Dry Goods.....	3	1		17	40	18	7		4	2	2	94
Food Products.....	4	4		57	56	48	5	1	2	3	3	183
General Merchants.....	1	3		43	7	8	1	2	6	5	1	77
Footwear.....	1	1		3	5	3	6	1				20
Furs.....				1	2	1	1					5
Furniture.....				2	2	8	2				2	16
Fuels.....		1		2	4	2	2	1				12
Electric Supplies.....						1	1					2
Plumbing Supplies.....				2	3	3	1					9
Store Fixtures and Supplies.....							2				1	3
Hardware.....		1		5	4	13	2			1	1	27
Painters and Decorators.....					2		1					3
Building Contractors.....	1			8	8	8	2			1	1	29
Garage and Auto Supplies.....		1		8	6	10	1	1	1	2		30
Druggists.....				2	2	6						10
Tobacco and Stationery.....				2	3	5	2	1				13
Jeweller.....				7	5	3	2					17
Florist.....	1			1	1	1						4
Miscellaneous.....				6	3			1		1		11
Total.....	11	12	0	166	153	138	38	8	13	15	11	565
OTHERS—												
Transportation.....				1	2	3						6
Finance.....	1			2	1	3	1			1	1	10
Service—												
Professional.....				5	3		1					9
Business.....				1	1	2						4
Recreational.....					2						2	4
Personal.....				3	5	2						10
Hotel.....	1			7	3	3						14
Wage Earners.....	1	2		37	76	9		3			2	130
Real Estate and Insurance.....				3	12	2	2					19
Commercial Agents and Salesmen.....				4	14	3		1		1	2	25
Miscellaneous.....				1	14	2		1			2	20
Total.....	3	2	0	64	133	29	4	5	0	2	9	251
Grand Total.....	16	16	0	259	342	182	70	16	14	18	34	967



PART II

ESTATES CLOSED DURING 1937

(Exclusive of 'Old' Estates reported in Part IV)

TABLE VII.—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION, BY DISTRICTS

Province or City	Number of Estates closed	Assets as estimated by Debtors	Liabilities as estimated by Debtors	Realization	Receipts from operations	Gross Receipts	Cost of Administration	Percentage cost	Paid to creditors	Realized direct by secured creditors (approx.)	Total amount recovered by creditors (approx.)
	No.	\$	\$	\$ cts.	\$ cts.	\$ cts.	\$ cts.	%	\$ cts.	\$	\$
Nova Scotia.....	27	104,959	255,036	37,001 62	102 55	37,104 17	9,357 90	25.22	27,746 27	39,554	67,300
New Brunswick.....	23	125,148	200,579	40,346 51	.....	40,346 51	14,190 13	35.17	26,156 38	30,824	56,981
Prince Edward Island.....	2	12,319	14,971	2,003 78	.....	2,003 78	774 78	38.66	1,229 00	5,145	6,374
*Quebec.....	287	6,747,034	7,232,554	1,008,468 65	30,548 17	1,039,016 82	227,770 45	21.92	811,246 37	386,933	1,198,179
Montreal.....	413	5,371,302	5,951,660	631,050 87	.....	631,050 87	219,149 51	34.73	411,901 36	1,507,403	1,919,304
*Ontario.....	210	2,307,993	3,500,053	516,193 77	11,281 37	527,475 14	144,889 32	27.47	382,585 82	852,793	1,235,379
Toronto.....	82	2,510,785	1,752,987	328,953 72	1,875 60	330,829 32	98,968 30	29.92	231,861 02	393,097	624,958
Manitoba.....	33	214,286	283,013	52,505 30	.....	52,505 30	17,355 38	33.05	35,149 92	40,120	75,270
Saskatchewan.....	20	122,713	199,725	30,329 27	.....	30,329 27	9,394 22	30.97	20,935 05	33,171	54,106
Alberta.....	23	123,469	227,987	33,443 41	.....	33,443 41	8,392 24	25.09	25,051 17	34,663	59,714
British Columbia.....	29	759,014	812,950	81,638 18	.....	81,638 18	20,320 69	24.89	61,317 49	255,518	316,836
Total.....	1,149	18,397,022	20,431,515	2,761,935 08	43,807 69	2,805,742 77	770,562 92	27.46	2,035,179 85	3,579,221	5,614,401

\* Exclusive of the cities of Montreal and Toronto shown separately.

TABLE VIII.—CLASSIFICATION OF LIABILITIES AND PAYMENTS TO CREDITORS IN ESTATES CLOSED DURING 1937

Province or City	Liabilities estimated by Debtors				Payments to Creditors					Levy \$ cts.		
	Total \$	Secured \$	Preferred \$	Ordinary \$	Total \$ cts.	Secured		Preferred			Ordinary \$ cts.	Per-centage to ordinary Creditors %
						\$	cts.	\$	cts.			
Nova Scotia.....	255,036	41,186	6,199	207,651	27,746 27	3,149 33	4,592 41	19,826 49	9.55	178 04		
New Brunswick.....	200,579	30,249	15,654	154,676	26,156 38	3,468 33	8,527 82	14,007 15	9.06	153 08		
Prince Edward Island.....	14,971	6,145	70	8,756	1,229 00	1,000 00	222 88			6 12		
*Quebec.....	7,232,554	3,235,228	463,805	3,533,521	811,246 37	289,943 10	282,619 15	233,458 14	6.61	5,225 98		
Montreal.....	5,951,660	1,733,622	189,687	4,028,351	411,901 36	83,022 86	124,147 41	202,225 14	5.02	2,505 95		
*Ontario.....	3,500,053	1,376,590	147,734	1,975,729	382,585 82	47,115 63	122,099 16	211,305 16	10.70	2,065 87		
Toronto.....	1,752,987	452,805	99,401	1,200,781	231,861 02	42,217 49	53,715 14	134,755 00	11.22	1,173 39		
Manitoba.....	283,013	62,520	10,931	209,562	35,149 92	1,055 71	7,216 03	26,701 86	12.74	176 32		
Saskatchewan.....	199,725	36,423	10,761	152,541	20,935 05	1,667 84	4,181 28	14,981 29	9.82	104 64		
Alberta.....	227,987	47,602	10,171	170,214	25,051 17	8,877 38	6,407 70	9,625 77	5.66	140 32		
British Columbia.....	812,950	304,624	66,747	441,579	61,317 49	9,050 99	17,217 20	34,723 84	7.86	325 46		
Total.....	20,431,515	7,326,994	1,021,160	12,083,361	2,035,179 85	490,568 66	630,946 18	901,609 84	7.46	12,055 17		

\* Exclusive of the cities of Montreal and Toronto shown separately.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE IX.—SUMMARY OF TOTAL ADMINISTRATIVE COSTS

Province or City	Number of Estates	Custodian	Trustee	Legal	Total Cost of Admin- istration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	27	1,416 49	5,813 53	2,127 88	9,357 90
New Brunswick.....	23	2,749 89	9,642 87	1,797 37	14,190 13
Prince Edward Island.....	2	171 66	447 25	155 87	774 78
Quebec.....	287	34,074 28	143,557 94	50,138 23	227,770 45
Montreal.....	413	34,865 52	139,402 64	44,881 35	219,149 51
Ontario.....	210	25,254 22	91,383 95	28,251 15	144,889 32
Toronto.....	82	9,972 64	62,635 35	26,360 31	98,968 30
Manitoba.....	33	3,354 72	9,640 74	4,359 92	17,355 38
Saskatchewan.....	20	2,294 79	5,360 96	1,738 47	9,394 22
Alberta.....	23	2,193 67	4,621 45	1,577 12	8,392 24
British Columbia.....	29	1,807 68	14,826 07	3,686 94	20,320 69
Total.....	1,149	118,155 56	487,332 75	165,074 61	770,562 92

TABLE X.—RATES OF DIVIDENDS PAID IN ESTATES CLOSED DURING 1937

Province or City	Num- ber of Estates Closed	Closed without Divi- dend	DIVIDENDS									
			Under 1%	1% Under 2½%	2½% Under 5%	5% Under 10%	10% Under 15%	15% Under 25%	25% Under 50%	50% Under 75%	75% Under 100%	At 100%
Nova Scotia....	27	15	1	1	1	3	1	1	3	1		
New Brunswick	23	15	1		1	1	1	3	1			
Prince Edward Island.....	2	2										
Quebec.....	287	169	6	9	7	20	11	27	26	8	1	3
Montreal.....	413	305	15	11	8	18	9	17	18	9		3
Ontario.....	210	95	3	5	18	41	11	14	15	3	2	3
Toronto.....	82	49	1	3	4	9	5	1	6	3	1	
Manitoba.....	33	19			2	3	3	3	3			
Saskatchewan..	20	11	1			1	2	1	3	1		
Alberta.....	23	13		1	2	4	1	1		1		
British Columbia.....	29	16	1	1		1	1	4	4	1		
Total.....	1,149	709	29	31	43	101	45	72	79	27	4	9
Percentage of Total.....		61·71%	2·52%	2·70%	3·74%	8·79%	3·92%	6·27%	6·87%	2·35%	0·35%	0·78%



TABLE XI.—COMPARATIVE STATEMENT OF AVERAGES FOR THE YEARS  
1933 TO 1937

	1933	1934	1935	1936	1937
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Average assets.....	10,832 00	9,190 00	11,719 00	9,649 00	16,011 00
Average liabilities.....	10,152 00	12,557 00	16,196 00	13,114 00	17,782 00
RECEIPTS					
Realizations.....	2,106 23	2,286 58	2,296 79	2,059 41	2,403 77
Net receipts from operations.....	97 57	56 20	27 96	59 50	38 13
Total receipts.....	2,203 80	2,342 78	2,324 75	2,118 91	2,441 90
DISBURSEMENTS					
<i>Custodian—</i>					
Fees of Official Receiver.....	14 63	15 73	16 22	15 94	15 74
Advertising.....	19 04	18 38	19 07	18 97	19 40
Notices to creditors.....	11 15	10 87	12 67	11 56	11 51
Postage.....	4 24	5 14	5 98	5 61	5 55
Possession and stocktaking.....	42 08	42 15	46 30	36 79	33 12
Bond and insurance premiums.....	7 44	7 78	8 33	6 18	6 22
Miscellaneous.....	16 68	10 59	15 96	8 22	11 29
Custodian costs.....	115 26	110 64	124 53	103 27	102 83
<i>Trustee—</i>					
Advertising.....	15 72	18 08	18 91	16 59	15 76
Bond and insurance premiums.....	14 25	21 31	22 83	21 31	29 32
Auctioneer.....	11 03	10 22	9 47	10 87	12 48
Notices to creditors.....	19 60	18 94	20 94	18 05	17 27
Postage.....	8 23	9 68	11 48	10 32	10 36
Registrar's fees.....	22 42	19 94	20 39	17 39	13 88
Inspectors' fees and expenses.....	22 55	23 42	27 28	23 93	26 94
Miscellaneous.....	56 24	75 21	91 07	91 93	107 83
Loss on operations.....		4 00	47	9 32	10 81
Trustee's fee (less deficit).....	123 18	123 31	151 86	127 46	179 49
Trustee costs.....	293 22	329 11	374 70	347 19	424 14
<i>Legal—</i>					
On petition or assignment.....	28 34	38 04	43 87	38 94	33 89
Solicitor to estate.....	52 31	60 40	82 21	70 06	101 82
Awarded against trustee.....	1 36	1 52	4 17	4 78	7 96
Legal costs.....	82 01	99 96	130 25	113 78	143 67
TOTAL COST OF ADMINISTRATION.....	490 49	539 71	629 48	564 24	670 64
AVAILABLE FOR DISTRIBUTION.....	1,713 31	1,803 07	1,695 27	1,554 67	1,771 26
Levy.....	8 14	7 99	8 40	7 34	10 49
Paid to secured creditors.....	359 44	483 16	378 89	485 88	426 95
Paid to preferred creditors.....	575 03	502 17	484 59	428 94	549 13
Paid to ordinary creditors.....	770 70	809 75	823 39	632 51	784 69
Total dividend.....	1,713 31	1,803 07	1,695 27	1,554 67	1,771 26
Percentage cost of administration.....	22.2%	23.0%	27.0%	26.6%	27.46%

## THE SUPERINTENDENT OF BANKRUPTCY

TABLE XII.—ANALYSIS OF BANKRUPTCY COSTS IN ESTATES CLOSED DURING 1937

Debtors' Statements	Total	General Average	Averages by City or Province										Alberta	B.C.								
			N.S.	N.B.	P.E.I.	Quebec	Montreal		Ontario	Toronto	Manitoba	Sask.										
							\$	cts.														
Assets.....	18,397,022 00	16,011 00	\$	5,354 00	\$	6,160 00	\$	23,509 00	\$	13,006 00	\$	10,990 00	\$	30,619 00	\$	6,494 00	\$	6,136 00	\$	5,388 00	\$	26,173 00
Liabilities.....	20,431,515 00	17,782 00	3,887 00	8,741 00	7,486 00	25,201 00	14,411 00	16,667 00	21,378 00	8,579 00	9,986 00	9,912 00	28,033 00									
RECEIPTS																						
Realizations.....	2,761,935 08	2,403 77	1,370 43	1,754 19	1,001 89	3,513 83	1,527 97	2,458 07	4,011 63	1,591 07	1,516 46	1,454 06	2,815 11									
Net receipts from operations.....	43,807 69	38 13	3 80			106 44		53 72	22 87													
Total receipts.....	2,805,742 77	2,441 90	1,374 23	1,754 19	1,001 89	3,620 27	1,527 97	2,511 79	4,034 50	1,591 07	1,516 46	1,454 06	2,815 11									
DISBURSEMENTS																						
Custodian—																						
Fees of Official Receiver.....	18,085 26	15 74	9 49	15 80	9 50	17 23	14 71	18 10	16 53	17 09	12 30	9 91	8 00									
Advertising.....	22,288 39	19 40	14 87	13 73	11 93	18 67	21 86	17 84	20 51	16 98	15 35	18 45	15 27									
Notices to creditors.....	13,221 56	11 51	6 67	10 24	20 50	13 74	10 05	10 95	16 52	7 11	7 38	8 82	14 83									
Postage.....	6,383 02	5 55	5 18	4 38	8 25	5 84	4 56	6 15	9 16	4 57	4 21	4 24	6 56									
Possession and stocktaking.....	38,057 87	33 12	8 80	21 34	32 57	37 54	24 15	46 29	45 11	41 20	56 25	14 95	9 73									
Bond and insurance premiums.....	7,145 04	6 22	4 09	46 61	2 50	6 82	2 90	7 24	5 95	4 90	6 53	15 86	4 73									
Miscellaneous.....	12,974 42	11 29	3 86	7 46	58	18 89	6 19	13 69	7 84	9 81	12 72	23 15	3 21									
Custodian costs.....	118,155 56	102 83	52 46	119 56	85 83	118 73	84 42	120 26	121 62	101 66	114 74	95 38	62 33									
Trustee—																						
Advertising.....	18,102 81	15 76	14 07	13 25	11 89	22 46	12 73	15 79	17 73	8 90	7 44	8 27	10 06									
Bond and insurance premiums.....	33,694 45	29 32	9 45	63 90	8 07	27 31	19 35	41 67	58 74	23 28	21 57	27 62	24 48									
Auctioneer.....	14,335 54	12 48	4 25	2 94	2 50	12 60	5 83	20 78	40 22	1 27			14 51									
Notices to creditors.....	19,845 27	17 27	5 83	15 06	25 35	22 87	14 23	17 44	18 67	13 10	12 88	19 44	17 93									
Postage.....	11,903 44	10 36	8 61	9 67	24 52	11 42	7 34	13 02	14 75	10 31	13 61	8 67	11 57									
Registrar's fees.....	15,944 16	13 88	14 88	15 69	11 80	18 40	11 77	15 18	10 85	8 30	7 61	12 07	8 13									
Inspectors' fees and expenses.....	30,954 42	26 94	15 65	26 39	22 50	33 10	18 76	33 42	48 29	21 58	14 00	9 31	15 66									
Miscellaneous.....	123,898 61	107 83	46 24	149 10	16 99	103 69	76 48	114 95	261 75	94 50	99 38	41 86	212 76									
Loss on operations.....	12,419 69	10 81					29 55			1 10	6 20	2 44										
Trustee's fee (less deficit).....	206,234 36	179 49	96 33	123 25	100 01	248 35	141 50	162 91	292 84	109 80	85 36	71 25	196 14									
Trustee costs.....	487,332 75	424 14	215 31	419 25	223 63	500 20	337 54	435 16	763 84	292 14	268 05	200 93	511 24									
Legal—																						
On petition or assignment.....	38,942 34	33 89	32 06	40 85	31 98	37 15	30 36	30 40	41 19	42 86	34 09	26 97	47 31									
Solicitor to estate.....	116,984 55	101 82	45 85	37 30	45 95	136 55	74 23	100 20	215 89	78 29	43 82	41 60	61 67									
Awarded against trustee.....	9,147 72	7 96				1 00	4 08	3 93	64 39	10 97	9 01		18 16									
Legal costs.....	165,074 61	143 67	78 81	78 15	77 93	174 70	108 67	134 53	321 47	132 12	86 92	68 57	127 14									
TOTAL COST OF ADMINISTRATION.....	770,562 92	670 64	346 58	616 96	387 39	793 63	530 63	689 95	1,206 93	525 92	469 71	364 88	700 71									
AVAILABLE FOR DISTRIBUTION.....	2,035,179 85	1,771 26	1,027 65	1,137 23	614 50	2,826 64	997 34	1,821 84	2,827 57	1,065 15	1,046 75	1,089 18	2,114 40									
Levy.....	12,055 17	10 49	6 60	6 65	3 06	18 20	6 07	9 84	14 31	5 34	5 23	6 10	11 22									
Paid to secured creditors.....	490,568 66	426 95	116 64	150 80	500 00	1,010 26	201 03	224 36	514 85	31 99	83 39	385 97	312 10									
Paid to preferred creditors.....	630,946 18	549 13	170 09	370 77	111 44	984 74	300 60	581 43	655 06	218 67	209 06	278 60	593 70									
Paid to ordinary creditors.....	901,609 84	784 69	734 32	609 01		813 44	489 64	1,006 21	1,643 35	809 15	749 07	418 51	1,197 38									
Total dividend.....	2,035,179 85	1,771 26	1,027 65	1,137 23	614 50	2,826 64	997 34	1,821 84	2,827 57	1,065 15	1,046 75	1,089 18	2,114 40									
Percentage cost of administration.....	27.46%	27.46%	25.22%	35.17%	38.66%	21.92%	34.73%	27.47%	29.92%	33.05%	30.97%	25.09%	24.89%									
Assets realized by secured creditors.....	3,579,221 00	3,115 00	1,465 00	1,340 00	2,573 00	1,348 00	3,650 00	4,061 00	4,794 00	1,216 00	1,659 00	1,507 00	8,811 00									



## PART III

## COMPARATIVE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

(Exclusive of "Old" Estates Referred to in Part IV)

TABLE XIII.—CLASSIFICATION OF ESTATES ACCORDING TO SIZE

Province or City	\$500 or under	\$501– \$1,000	\$1,001– \$2,500	\$2,501– \$5,000	\$5,001– \$10,000	Over \$10,000	Total
Nova Scotia.....	17	.....	5	3	2	.....	27
New Brunswick.....	17	.....	2	1	2	1	23
Prince Edward Island.....	1	.....	1	.....	.....	.....	2
Quebec.....	140	35	52	34	10	16	287
Montreal.....	256	61	45	23	16	12	413
Ontario.....	76	35	46	22	20	11	210
Toronto.....	23	16	22	5	7	9	82
Manitoba.....	13	7	7	2	3	1	33
Saskatchewan.....	8	3	5	2	2	.....	20
Alberta.....	11	4	4	1	3	.....	23
British Columbia.....	8	6	8	1	2	4	29
Total.....	570	167	197	94	67	54	1,149
Percentage.....	49.61%	14.52%	17.15%	8.18%	5.83%	4.70%	100.0%

TABLE XIV.—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	570	124,354	104,595	218 16	183 50	84.17
\$501 – \$1,000.....	167	117,081	65,390	701 08	391 56	55.86
\$1,001 – \$2,500.....	197	311,032	109,459	1,578 84	555 63	35.19
\$2,501 – \$5,000.....	94	330,796	82,441	3,519 11	877 03	24.92
\$5,001 – \$10,000.....	67	449,833	104,506	6,713 93	1,559 79	23.23
Over \$10,000.....	54	1,472,647	304,172	27,271 24	5,632 81	20.66
Total.....	1,149	2,805,743	770,563	2,441 90	670 64	27.46

TABLE XIV.—(1) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OF \$500 OR LESS

Province or City	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	17	3,798	2,611	223 41	153 59	68.87
New Brunswick.....	17	3,585	2,628	210 88	154 59	73.27
Prince Edward Island.....	1	489	265	489 00	265 00	54.19
Quebec.....	140	35,086	30,159	250 61	215 42	85.82
Montreal.....	256	49,708	44,037	194 17	172 02	88.67
Ontario.....	76	18,265	14,404	240 33	189 53	78.97
Toronto.....	23	5,067	4,001	220 30	173 96	79.07
Manitoba.....	13	2,625	2,094	201 92	161 08	79.74
Saskatchewan.....	8	1,804	1,219	225 50	152 38	67.42
Alberta.....	11	1,763	1,195	160 27	108 64	67.90
British Columbia.....	8	2,164	1,982	270 50	247 75	91.42
Total.....	570	124,354	104,595	218 16	183 50	84.17



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TABLE XIV.—(2) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of Estates	Realization	Cost of Ad- ministration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....						
New Brunswick.....						
Prince Edward Island.....						
Quebec.....	35	23,990	13,524	685 43	386 40	56.41
Montreal.....	61	41,638	22,364	682 59	366 62	53.68
Ontario.....	35	24,281	12,538	693 74	358 23	51.62
Toronto.....	16	12,334	7,620	770 88	476 25	61.77
Manitoba.....	7	4,843	2,736	691 86	390 86	56.48
Saskatchewan.....	3	2,445	1,633	815 00	544 33	66.79
Alberta.....	4	2,950	1,702	737 50	425 50	57.66
British Columbia.....	6	4,600	3,273	766 67	545 50	71.12
Total.....	167	117,081	65,390	701 08	391 56	55.86

TABLE XIV.—(3) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of Estates	Realization	Cost of Ad- ministration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	5	9,647	1,833	1,929 40	366 60	19.00
New Brunswick.....	2	3,155	1,101	1,577 50	550 50	34.89
Prince Edward Island.....	1	1,515	510	1,515 00	510 00	33.66
Quebec.....	52	83,155	29,310	1,599 13	563 65	35.25
Montreal.....	45	68,048	23,994	1,512 18	533 20	35.26
Ontario.....	46	75,717	29,350	1,646 02	638 04	38.76
Toronto.....	22	31,679	10,814	1,439 95	491 55	34.14
Manitoba.....	7	11,726	4,444	1,675 14	634 86	37.90
Saskatchewan.....	5	7,993	2,112	1,598 60	422 40	26.41
Alberta.....	4	5,834	1,752	1,458 50	438 00	30.02
British Columbia.....	8	12,563	4,239	1,570 37	529 88	33.75
Total.....	197	311,032	109,459	1,578 84	555 63	35.19

TABLE XIV.—(4) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of Estates	Realization	Cost of Ad- ministration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	3	8,424	1,806	2,808 00	602 00	21.44
New Brunswick.....	1	4,271	944	4,271 00	944 00	22.10
Prince Edward Island.....						
Quebec.....	34	124,241	28,150	3,654 15	827 94	22.66
Montreal.....	23	82,773	23,020	3,598 83	1,000 87	27.81
Ontario.....	22	76,253	19,854	3,466 04	902 45	26.04
Toronto.....	5	15,911	4,302	3,182 22	860 40	27.04
Manitoba.....	2	5,613	1,970	2,806 50	985 00	35.09
Saskatchewan.....	2	6,401	1,412	3,200 50	706 00	22.06
Alberta.....	1	3,972	384	3,972 00	384 00	9.67
British Columbia.....	1	2,937	599	2,937 00	599 00	20.40
Total.....	94	330,796	82,441	3,519 11	877 03	24.92

TABLE XIV.—(5) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	2	15,235	3,107	7,617 50	1,553 50	20.39
New Brunswick.....	2	14,953	6,949	7,476 50	3,474 50	46.47
Prince Edward Island.....						
Quebec.....	10	68,389	12,016	6,838 90	1,201 60	17.57
Montreal.....	16	106,317	25,482	6,644 81	1,592 50	23.97
Ontario.....	20	138,651	31,452	6,932 55	1,572 60	22.68
Toronto.....	7	48,093	13,814	6,870 43	1,973 43	28.73
Manitoba.....	3	15,313	3,530	5,104 33	1,176 66	23.05
Saskatchewan.....	2	11,686	3,018	5,843 00	1,509 00	25.83
Alberta.....	3	18,924	3,359	6,308 00	1,119 67	17.75
British Columbia.....	2	12,272	1,779	6,136 00	889 50	14.50
Total.....	67	449,833	104,506	6,713 93	1,559 79	23.23

TABLE XIV.—(6) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$10,000

Province or City	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....						
New Brunswick.....	1	14,383	2,568	14,383 00	2,568 00	17.85
Prince Edward Island.....						
Quebec.....	16	704,156	114,634	44,009 75	7,164 63	16.28
Montreal.....	12	282,567	80,231	23,547 25	6,685 91	23.39
Ontario.....	11	194,307	37,292	17,664 27	3,390 18	19.19
Toronto.....	9	217,747	58,417	24,194 11	6,490 78	26.83
Manitoba.....	1	12,385	2,582	12,385 00	2,582 00	20.85
Saskatchewan.....						
Alberta.....						
British Columbia.....	4	47,102	8,448	11,775 50	2,112 00	17.93
Total.....	54	1,472,647	304,172	27,271 24	5,632 81	20.66

TABLE XV.—RECAPITULATION OF PERCENTAGE COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

Province or City	\$500 or under	\$501-\$1,000	\$1,001-\$2,500	\$2,501-\$5,000	\$5,001-\$10,000	Over \$10,000	Total
	%	%	%	%	%	%	%
Nova Scotia.....	68.87		19.00	21.44	20.39		25.22
New Brunswick.....	73.27		34.89	22.10	46.47	17.85	35.17
Prince Edward Island.....	54.19		33.66				38.66
Quebec.....	85.82	56.41	35.25	22.66	17.57	16.28	21.92
Montreal.....	88.67	53.68	35.26	27.81	23.97	28.39	34.73
Ontario.....	78.97	51.62	38.76	26.04	22.68	19.19	27.47
Toronto.....	79.07	61.77	34.14	27.04	28.73	26.83	29.92
Manitoba.....	79.74	56.48	37.90	35.09	23.05	20.85	33.05
Saskatchewan.....	67.42	66.79	26.41	22.06	25.83		30.97
Alberta.....	67.90	57.66	30.02	9.67	17.75		25.09
British Columbia.....	91.42	71.12	33.75	20.40	14.50	17.93	24.89
Average percentage cost for Canada.....	84.17	55.86	35.19	24.92	23.23	20.66	27.46

PART IV

OLD ESTATES CLOSED DURING 1937

TABLE XVI.—REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of Estates	Realization	Cost of Administration	Average Realization	Average Cost of Administration	Percentage Cost of Administration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	73	16,393	14,581	224 56	199 74	88.77
\$501 - \$1,000.....	35	23,757	15,775	678 57	450 71	66.38
\$1,001 - \$2,500.....	55	101,622	41,850	1,847 67	760 91	41.17
\$2,501 - \$5,000.....	34	124,092	55,782	3,649 76	1,640 65	44.50
\$5,001 - \$10,000.....	31	206,791	64,958	6,670 68	2,095 42	31.41
Over \$10,000.....	32	1,737,630	324,426	54,300 94	10,138 31	18.67
Total.....	260	2,210,285	517,372	8,501 10	1,989 89	23.41

In addition to the 260 estates reported in the above table, 77 old estates which had been reopened for various reasons were finally closed in 1937.

OTHER ESTATES COMPLETED DURING 1937

TABLE XVII.—ESTATES RE-OPENED TO REALIZE AND DISTRIBUTE AFTER-ACQUIRED ASSETS

Province or City	Estate Originally closed	Subsequent Realization	Cost of Administration	Paid to Creditors
		\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	Dec. 18, 1931	101 00	101 00	Nil
Ontario.....	Feb. — 1922	4,250 00	893 31	3,356 69
Alberta.....	June 7, 1935	4,016 86	661 70	3,355 16
British Columbia.....	Aug. — 1935	9,481 89	485 35	8,996 54
Total.....		17,849 75	2,141 36	15,708 39



PART V

MISCELLANEOUS INFORMATION

TABLE XVIII.—APPLICATIONS OF DEBTORS FOR THEIR DISCHARGE FROM BANKRUPTCY DEALT WITH DURING 1937

Province or City	Pending at end of 1936	Discharges applied for	Granted unconditionally	Suspended					Bankruptcies annulled	Applications refused	Pending at end of 1937
				Three months	Six months	One year	Two years	Until 20% paid	Until 50% paid		
Nova Scotia.....		5	5								
New Brunswick.....											
Prince Edward Island.....	1	2	2							1	
Quebec.....	11	134	84		2	3	4	1	1		28
Montreal.....	32	212	114		14	19	32		7	1	51
Ontario.....	3	43	36	1		2	3		1		3
Toronto.....	1	18	17			1					1
Manitoba.....	2	4	6								
Saskatchewan.....		6	4	1						1	
Alberta.....	1	6	6								1
British Columbia.....	2	2	1								3
Total.....	53	432	275	4	16	25	39	1	9	26	87

TABLE XIX.—BANKRUPTCIES SETTLED BY PROPOSALS OF COMPOSITION, EXTENSION, OR SCHEME OF ARRANGEMENT

Nova Scotia.....	-
New Brunswick.....	1
Prince Edward Island.....	-
Quebec.....	31
Montreal.....	19
Ontario.....	3
Toronto.....	1
Manitoba.....	1
Saskatchewan.....	1
Alberta.....	1
British Columbia.....	-
Total.....	58

PART VI

THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

TABLE XX.—ANALYTICAL STATEMENT OF ASSETS AND LIABILITIES FOR ESTATES REPORTED DURING 1937

Province	Number of estates	Assets				Total assets	Average assets per estate	Liabilities				Total liabilities	Average liabilities per estate
		Land	Livestock		Machinery			Secured and preferred	Ordinary				
			\$	cts.		\$	cts.		\$	cts.	\$	cts.	
Nova Scotia.....	0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
New Brunswick.....	3	13,500 00	1,933 00	1,977 20	.....	17,410 20	5,803 40	16,596 44	11,380 33	27,976 77	9,325 59		
Prince Edward Island.....	2	6,800 00	392 00	961 00	.....	8,153 00	4,076 50	8,872 00	3,483 00	12,355 00	6,177 50		
Quebec.....	39	135,210 00	17,476 80	19,493 00	.....	172,179 80	4,414 87	191,022 30	78,006 25	269,028 55	6,898 17		
Ontario.....	28	86,230 00	10,442 00	16,466 25	.....	113,138 25	4,040 65	128,234 46	50,313 18	178,547 64	6,376 70		
Manitoba.....	10	17,900 00	5,453 50	5,973 90	.....	29,327 40	2,932 74	41,651 21	35,577 12	77,228 33	7,722 83		
Saskatchewan.....	35	127,070 00	11,523 00	27,751 00	.....	166,344 00	4,752 69	205,172 15	68,012 01	273,184 16	7,805 26		
Alberta.....	4	13,540 00	1,779 00	4,872 00	.....	20,191 00	5,047 75	27,728 97	4,258 80	31,987 77	7,996 94		
British Columbia.....	1	750 00	355 00	740 00	.....	1,845 00	1,845 00	422 80	2,698 95	3,121 75	3,121 75		
Total.....	122	401,000 00	49,354 30	78,234 35	.....	528,588 65	4,332 69	619,700 33	253,729 64	873,429 97	7,159 26		

TABLE XXI.—ESTATES COMPLETELY ADMINISTERED DURING 1937

Province	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
Number of Estates	0	3	3	33	32	18	57	19	2	167
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Liabilities (as estimated by farmers)		20,310 44	18,435 14	213,793 54	237,096 18	80,830 68	400,185 55	125,793 62	35,382 78	1,131,827 93
Assets (as estimated by farmers)		6,105 00	13,429 00	138,093 92	121,162 35	41,944 68	239,388 85	61,277 10	19,695 00	641,095 90
TRUSTEE'S RECEIPTS										
Realization of assets		143 82	761 88	48,387 82	15,667 87	1,769 90	4,960 31	2,052 61	2,107 60	75,851 81
Advanced by Department to cover deficit		64 33	53 10	225 37	529 86	360 58	1,008 46	468 48		2,710 18
Total Receipts		208 15	814 98	48,613 19	16,197 73	2,130 48	5,968 77	2,521 09	2,107 60	78,561 99
TRUSTEE'S DISBURSEMENTS										
Paid to creditors		98 42	371 63	42,727 93	13,347 26	1,346 08	2,896 51	1,734 52	1,767 99	64,290 34
Levy		49	1 86	236 96	70 27	7 70	15 27	18 95	8 87	360 37
Undistributed assets vested in Receiver General					5 96			20 46		26 42
Cost of administration (including trustee fee)		109 24	441 49	5,648 30	2,774 24	776 70	3,056 99	747 16	330 74	13,884 86
Total Payments		208 15	814 98	48,613 19	16,197 73	2,130 48	5,968 77	2,521 09	2,107 60	78,561 99
Average Cost per Estate		36 41	147 16	171 16	86 70	43 15	53 63	39 32	165 37	83 14
Percentage Cost Borne by Department		58.89%	12.03%	3.99%	19.10%	46.42%	32.99%	62.70%		19.52%











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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY

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FOR THE CALENDAR YEAR 1938

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Published by Authority of RIGHT HON. ERNEST LAPOINTE, K.C., M.P.,  
Acting Secretary of State



OTTAWA  
J. O. PATENAUDE, I.S.O.  
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1939



The Right Honourable ERNEST LAPOINTE, K.C., M.P.,  
Acting Secretary of State,  
Ottawa.

SIR,—I have the honour to submit my sixth Annual Report on the administration of The Bankruptcy Act during the year ending December 31, 1938.

Yours very truly,

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, September 5, 1939.

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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1938

## 1. APPOINTMENTS UNDER THE BANKRUPTCY ACT

### (a) OFFICIAL RECEIVERS

By Order in Council of May 18, 1938, (P.C. 1117), the Judicial District of Arthabaska was separated from Division No. 2 of the Bankruptcy District of Quebec and established as a new division to be known as Division No. 15 of the Bankruptcy District of Quebec.

J. Victor Marceau, Esq., and Adelard Picher, Esq., Joint Prothonotaries of the Superior Court, Arthabaska, appointed Joint Official Receivers for Division No. 15 of the Bankruptcy District of Quebec, effective May 18, 1938, (P.C. 1117, May 18, 1938.)

M. Penn Spicer, Esq., Prothonotary of the Supreme Court, Yarmouth, appointed Official Receiver for Division No. 4 of the Bankruptcy District of Nova Scotia, effective December 14, 1938, vice Charles S. Pelton, deceased. (P.C. 3123, December 14, 1938.)

### (b) REGISTRARS IN BANKRUPTCY AND TAXING OFFICERS

Robert A. Braden, Esq., Registrar of Titles, Kamloops, appointed by the Honourable Chief Justice of the Supreme Court of the Province of British Columbia to be Registrar in Bankruptcy and Taxing Officer for Division No. 4 of the Bankruptcy District of British Columbia, effective February 23, 1938, vice E. Fisher, resigned.

Peter Hay McCurrach, Esq., District Registrar of the Supreme Court, Kamloops, appointed by the Honourable Chief Justice of the Supreme Court of British Columbia to be Deputy Registrar in Bankruptcy and Taxing Officer for Division No. 4 of the Bankruptcy District of British Columbia, effective February 23, 1938.

Jean-Baptiste Desjardins, Esq., Prothonotary of the Superior Court, Rimouski, appointed by the Honourable Acting Chief Justice of the Superior Court of the Province of Quebec to be Registrar in Bankruptcy and Taxing Officer for Division No. 3 of the Bankruptcy District of Quebec, September 17, 1938, vice Gleason Belzile, resigned.

M. Penn Spicer, Esq., Prothonotary of the Supreme Court, Yarmouth, appointed by the Honourable Chief Justice of the Supreme Court of the Province of Nova Scotia to be Registrar in Bankruptcy and Taxing Officer for the counties of Yarmouth and Digby, effective October 8, 1938.

## 2. LICENSING AND SUPERVISORY ACTIVITIES

### (i) LICENSING OF TRUSTEES

#### (a) *Licences Granted for 1938*

Renewal certificates for 1938 were issued to 250 of the 270 trustees whose licences expired on December 31, 1937. In addition, 11 new licences were issued during the year 1938, bringing the total number of licences in force in 1938 to 261.

#### (b) *Licences Cancelled in 1938*

Six licences were cancelled during the year. Three trustees were removed by death, and three withdrew from practice. Two licences which had not been renewed for 1938 were also cancelled.

*(c) Renewal of Licences for 1939*

Of the 255 trustees whose licences expired on December 31, 1938, 241 applied for certificates of renewal for 1939; 239 of these applications have been granted.

*(d) Distribution of Licences*

The following table shows the distribution by provinces of the 239 licences renewed for 1939. In this table trustees licensed to operate in two or more provinces are shown only in the provinces in which their head offices are situated:

Nova Scotia.....	9	Quebec.....	102	Saskatchewan .....	4
New Brunswick.....	8	Ontario.....	88	Alberta .....	4
Prince Edward Island	1	Manitoba .....	8	British Columbia...	15

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces, mostly trust companies with offices in the larger centres, are included in the total for each province in which they operate:

Nova Scotia.....	15	Quebec.....	109	Saskatchewan.....	15
New Brunswick.....	13	Ontario.....	98	Alberta.....	13
Prince Edward Island.....	3	Manitoba.....	16	British Columbia.....	21
		Northwest Territories..	1		

The following statement shows the number of licences issued during the six-year period ending December 31, 1938:—

—	1933	1934	1935	1936	1937	1938
New Licences issued.....	364	23	19	9	9	11
Licences Renewed.....		328	301	292	269	250
Total.....	364	351	320	301	278	261

Cancellations during the same period were as follows:

—	1933	1934	1935	1936	1937	1938	Total
Death of trustees.....	2	2	2	3	5	3	17
Resigned.....		2	1	1	1	3	8
Cancelled for cause.....	2	3		2	3		10
Renewals not granted.....	5	2	3	5	6	2	23
Renewals not applied for.....	27	41	22	21	13	14	138
Total.....	36	50	28	32	28	22	196

In the period of six years in which The Bankruptcy Act Amendment Act, 1932, has been in effect the number of licensed trustees has decreased from 364 to 239. The decrease in the number of licences has resulted largely from the voluntary retirement or withdrawal from practice of licencees. It may also be attributed, to some extent, to the decrease during this period in the number of bankruptcies. The number of trustees now licensed is more than sufficient to take care of the work to be done. This is particularly noticeable in the larger centres of population.



## (ii) BANKRUPTCIES REPORTED AND ESTATES ADMINISTERED

There were 1,074 bankruptcies reported during 1938 compared with 967 in 1937 and 1,154 in 1936. Comparative figures for all provinces for the five-year period ending December 31, 1938, are as follows:—

Year	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
1934.....	42	34	8	365	429	269	95	54	31	31	53	1,411
1935.....	36	35	4	303	490	203	82	31	23	22	34	1,263
1936.....	33	20	6	304	406	210	78	24	20	20	33	1,154
1937.....	16	16	.....	259	342	182	70	16	14	18	34	967
1938.....	20	19	4	309	369	182	95	24	13	10	29	1,074

Liabilities and assets for the 1,074 estates reported during 1938 were estimated and valued by the debtors at \$15,825,276 and \$12,434,639, respectively. The corresponding totals for the 967 estates reported during 1937 were respectively \$14,234,977 and \$13,121,827.

The administration of 1,098 estates was completed in 1938, as compared with 1,149 estates completed in 1937. A survey of the administration of the 1,098 estates closed in 1938 gives the following figures and results:—

Total liabilities estimated by debtors at.....	\$21,740,131
Total assets valued by debtors at.....	15,995,276
which realized.....	2,526,562
Distributed as follows:	
Payments to creditors.....	1,809,077
Cost of administration.....	717,485

To the distribution to creditors as shown there should be added assets of an estimated value of \$4,264,633 realized or taken over by secured creditors, making in all a return to creditors in cash or in kind of \$6,073,710, or 27·94 per cent of the estimated liabilities and leaving an estimated net loss to creditors of \$15,666,421, or 72·06 per cent of the total liabilities.

In addition to the 1,074 bankruptcies reported during 1938, 137 old bankruptcies (estates in existence prior to The Bankruptcy Act Amendment Act, 1932), were reported to this office, and the administration of 176 old estates was completed. Altogether the administration of 2,587 new estates and 1,032 old estates was under supervision during the year. There were 1,489 new estates and 444 old estates under administration at the end of 1938. Detailed information regarding the number and location of bankruptcies reported, size of estates, realization of assets, payments to creditors, administrative costs, etc., will be found in the tables forming the Appendix to this report.

## (iii) COMPLAINTS AND INVESTIGATIONS

During the year eighty complaints were registered against forty-eight trustees. Seventy-two of these eighty complaints related to estates under the administration of licensed trustees. The balance related to estates which came into existence prior to December 1, 1932, in which the trustees are not licensed. All but four of these complaints were made by creditors or on their behalf. Three were received from debtors and one was received from a trustee.

Complaints received from creditors may be classified as follows:

Delay in winding up estates.. . . . .	12
Delay in payment of claims.. . . . .	15
Unable to obtain reports or information requested.. . . . .	25
Irregular disposal of assets.. . . . .	4
High administrative costs.. . . . .	3
Miscellaneous.. . . . .	17



Seventy-five of the eighty complaints received were investigated and disposed of by correspondence.

Eleven outside investigations were made by members of the staff during the year. Five of these investigations were made following the receipt of complaints from creditors and others. In another case the complaint was forwarded and the investigation requested by the trustee.

### 3. GENERAL OBSERVATIONS

It is to be noted that the number of bankruptcies continues at about the same level as for the previous four years. During 1938 the volume of business reached approximately ninety per cent of the average of the pre-depression period. Statistical economists, however, state that more bankruptcies occur with improvements in business conditions owing to the greater risks then being taken to share in the general prosperity and the greater freedom of credit. Reference has been made in previous reports to the fact that the number of bankruptcies has been reduced by supervision and by reason of other insolvency legislation such as The Farmers' Creditors Arrangement Act, The Companies' Creditors Arrangement Act, The Winding-Up Act, and restrictive debt legislation within certain of the provinces. With due allowance being made for these factors it is apparent that some other reason or factor must have entered into the situation to reduce the number of bankruptcies as bankruptcy returns do not by any means represent the volume of insolvent estates liquidated during the year.

Bankruptcy administration has always been subjected to adverse and subversive influences and there have always been attempts to evade and circumvent its provisions. However, as The Bankruptcy Act was amended and strengthened from time to time the opportunity for evasion within the Act was largely eliminated with the result that those responsible for these evasions and subterfuges were compelled to find some other scheme of operation. Among such alternate devices the power of attorney unconditionally authorizing the appointee to sell and dispose of the debtor's assets and to distribute the proceeds among his creditors seems to have been most frequently employed during the last few years. In other cases similar results are obtained by means of fictitious and fraudulent bulk sales. There are undoubtedly many cases in which proceedings under power of attorney, bulk sale or proceedings of a similar nature are honestly and efficiently carried out but in the absence of supervision and effective control a greater opportunity exists for fraud.

From a small beginning these practices have grown to the extent that they have seriously encroached upon the field of bankruptcy administration and have become an alternative device to bankruptcy with, as it not infrequently happens, very little regard to the rights of the debtors and creditors concerned. Collective action by creditors is rarely possible and there is not the inducement provided by The Bankruptcy Act for individual creditors to take action on behalf of all creditors. It is only when some sufficiently resolute creditor or creditors oppose the proceedings that the *modus operandi* in such cases are exposed.

Some prominence has been given to a particularly objectionable case of this kind by a recent judgment of the Supreme Court of Ontario reported in Volume 20 of Canadian Bankruptcy Reports at page 234. An arrangement was effected for an extension of time with the intention of the creditors being paid in full. A proviso was added in the event of insolvency for the liquidation of the assets. Insolvency resulted and the liquidation of the assets was

begun. A petition was filed to bring the administration under The Bankruptcy Act and on the hearing of the petition which was contested, certain facts were disclosed which caused the Court to make the following comments:

"It is undesirable that companies should have their assets sold and distributed for the benefit of creditors except under the eye of the Court. In fact The Bankruptcy Act, Section 9 (7) (9 C.B.R. 43) provides that 'every assignment of his property other than an authorized assignment made by an insolvent debtor for the general benefit of his creditors shall be null and void'. While that is not the case here, the section goes to show that the drafters of The Bankruptcy Act had it in mind that the realization of the whole assets of the company for the benefit of creditors, as this agreement has degenerated into, should be conducted under the eye of the Court and not by people who not only reside out of the jurisdiction of the Court but who are not responsible to it. Particularly is this true when there are suspicious transactions and where the committee of management has shown a disposition to prefer creditors or act against the interests of creditors generally as this committee has done."

The judgment should be read in its entirety by all interested in the proper administration of insolvent estates.

One of the chief reasons advanced to persuade creditors to join in such proceedings is that the costs of liquidation are reduced. The fundamental objection against all such methods of administering insolvent estates is that the established safeguards under existing legislation for the protection of creditors against questionable and illegal practices are disregarded. The successive amendments to The Bankruptcy Act indicate what steps have been taken from time to time to provide definite safeguards to prevent dishonesty and fraud not only by debtors and creditors but by trustees as well. Similar safeguards are equally essential in the administration of insolvent estates by any other method. Otherwise the creditors will constantly be under the uncertainty of never knowing to what extent their legal rights are jeopardized or disregarded. Any reduction of costs obtained in this way is accordingly false economy because any alleged saving will in the long run be far more than offset by the losses sustained by the creditors through fraud and infringement of their legal rights.

#### 4. PROSECUTIONS IN BANKRUPTCY CASES

At the end of 1937 there were thirty-four cases in which investigations were being continued or in which criminal proceedings were pending before the courts. Thirty-two new cases, in which there were grounds to believe that offences had been committed and in which an investigation of some sort had been made, were reported in 1938. Forty-four of these sixty-six cases were closed in 1938. In the remaining twenty-two proceedings were pending or contemplated at the end of 1938 or the investigations were being continued.

The accused persons were brought to trial in twenty-five of the forty-four cases closed in 1938. Five cases were dropped because of lack of funds or the indifference of the creditors to further investigate or prosecute. In five others there was insufficient proof of wrong-doing to warrant the institution of criminal proceedings. In four the investigation was dropped on restitution or a satisfactory settlement being made. In another case it was decided to place the facts before the court when the debtor makes application for his discharge from bankruptcy. Four accused escaped prosecution by absconding.



Convictions were obtained in fourteen of the twenty-five cases brought to trial. In ten the charges were dismissed or the accused acquitted and in one case the proceedings were withdrawn on restitution being made. In three of the fourteen cases in which convictions were obtained the accused were subjected to the payment of fines. Sentences of imprisonment varying from four months to three and one-half years were imposed in five cases. In six cases the accused were released on suspended sentence.

A number of protests have been received during the year from creditors and others regarding the inadequacy of the sentences imposed on persons convicted of bankruptcy offences. In most of these cases a considerable expenditure of time and money is required to investigate the offences committed and to bring the accused to trial, and it is discouraging to those who have to bear the cost of the investigation and preliminary proceedings to see the accused, on conviction, subjected to a nominal fine or released on suspended sentence in cases in which more adequate punishment is obviously justified. It is felt that the leniency shown to offenders in bankruptcy frauds largely nullifies the efforts expended in bringing them to justice and the value of such proceedings as a deterrent. The protests received invariably refer to the inadequacy of the machinery available for the prosecution of bankruptcy offences, and to the difficulties encountered in having these cases properly presented to the presiding judges and magistrates. They complain particularly of the difficulty of getting official prosecutors to take an adequate view of the gravity of these frauds, many of which are found to have been carefully planned and carried out. Particulars of a number of cases in which the sentences were obviously inadequate have been referred to the authorities concerned, and it has been suggested that a more serious view be taken of these matters in the general interest of commercial morality.

#### 5. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Assignments under The Bankruptcy Act were made by 106 farmers in 1938, and four receiving orders were made against farmers who had failed to carry out the terms of their proposals, as provided for by Section 2 (3) of The Farmers' Creditors Arrangement Act.

The liabilities and assets of these 110 estates were estimated at \$869,926.77 and \$475,127.54, respectively, representing average liabilities of \$7,908.43 and assets of \$4,319.34 for each estate. Real property represented \$369,308 or 77.73 per cent of the assets, the balance, or \$105,819.54 consisting of live stock and machinery. Of the liabilities \$651,120.19 or 74.85 per cent of the total were either secured or preferred, the balance consisting of ordinary unsecured claims.

Including 146 estates carried over from 1937, there was under administration in 1938 a total of 256 farmer estates. Of these, 139 were completely administered and the trustees released during the year, leaving 117 on hand as at December 31, 1938.

The 139 estates closed in 1938 represented total liabilities of \$974,001.76 and assets of a total estimated value of \$575,513.63. The proceeds from the sale of assets by official receiver-trustees, exclusive of cash payments to farmers in lieu of exemptions, amounted to \$74,063.92, all of which, less administrative costs of \$10,631.79, was available for distribution to the creditors. In addition to the cash payments made to the creditors, land and chattels under mortgage or lien of an estimated value of \$307,487 were transferred to or repossessed by secured creditors.

Additional administrative costs of \$2,768.45 were paid by the Dominion Government, bringing the total administrative costs to \$13,400.24. The average cost of administering these estates amounted to \$96.40 only, of which \$19.92 or 20.66 per cent was paid from Government funds.



The applications of sixty-five farmers for discharge from bankruptcy were disposed of by the courts during the year. Forty-seven of these applications were granted unconditionally and five applications were suspended for various periods ranging from one month to a year. There were no conditional discharges. One application only was refused and twelve applications for discharge were pending at the close of the year. In twelve cases the assignments were annulled on the approval by the court of compositions or settlements accepted by the creditors. There were no prosecutions in bankruptcy cases under this Act in 1938.

Tables showing liabilities and assets of farmer estates reported in 1938, and details of the administration of estates closed in 1938, have been included in the Appendix to this report. The following table shows, by provinces, the number of assignments made under The Farmers' Creditors Arrangement Act since it came into effect on September 1, 1934:—

Year	N.S.	N.B.	P.E.I.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1934 (4 months) ..	0	5	0	7	4	12	22	11	0	61
1935.....	0	8	3	38	27	24	98	86	1	285
1936.....	0	4	2	39	24	15	62	33	3	182
1937.....	0	3	2	34	28	10	29	3	1	110
1938.....	0	3	2	33	29	8	16	13	2	106
Total.....	0	23	9	151	112	69	227	146	7	744

During this period thirty-two receiving orders were made against farmers in the Provinces of Alberta, Saskatchewan and Quebec, only, as shown hereunder. No receiving orders were made against farmers in 1934.

Year	Alberta	Saskat- chewan	Quebec	Total
1935.....	1	0	1	2
1936.....	1	2	11	14
1937.....	1	6	5	12
1938.....	2	0	2	4
Total.....	5	8	19	32

## 6. REVENUE AND EXPENDITURES

The total net revenues as against expenditures from 1st January, 1938, to 31st December, 1938, have been as follows:—

### REVENUE—CALENDAR YEAR, 1938

Licence fees (including renewals for 1939).....	\$ 5,500 00
Levy under Section 126A.....	12,664 52
Total net revenue .....	\$18,164 52

### EXPENDITURE—CALENDAR YEAR, 1938

Salaries .....	\$27,784 92
Printing and Stationery .....	1,185 53
Travelling Expenses .....	1,566 03
Rent and Maintenance .....	2,226 00
Sundries .....	507 07
Total expenditure .....	\$33,269 55

## 7. A STUDY OF THE OPERATION OF THE ENGLISH ACT

During the year a personal survey or study was made of the operation of the English and Scottish Acts. Comparative differences in results and methods must be considered in the light of dissimilar conditions in England, Scotland and Canada. A tight little isle with its concentrated population, an organization has been set up in England which is not possible except at an unwarranted cost in a country like Canada with vast distances and its few large centres of population.

Fundamentally the English and Canadian Acts are very similar. In England the administration centres around certain officials, the Registrars of the Court, the Board of Trade as represented by the Inspector General of Bankruptcy, the Official Receivers and the trustees. A very considerable difference in operative methods is evident. The English Act deals only with persons and partnerships, while incorporated companies are liquidated under the Companies Act and supervised by an organization, almost a duplicate of that established under The Bankruptcy Act. This duplication is the subject of much comment because of the divergent regulations and precedents that have grown up dealing with similar sets of circumstances and facts. Trustees and liquidators interviewed, who act under both Acts, were unanimous in stating that one organization would be more desirable to eliminate the confusion arising from the inconsistencies of varying regulations and precedents. Each organization is nevertheless most zealous in its own behalf. Another Act supplementary to the Bankruptcy Act, but nonetheless insolvency legislation is the Deeds of Arrangements Act, 1914. It legalizes a deed of arrangement expressed to be or in fact for the benefit of a debtor's creditors generally. No statutory form is provided, so from experience such deeds have developed into a most comprehensive document providing for almost every conceivable contingency. The deed accompanied by a sworn statement of affairs must be registered with the Inspector General of Bankruptcy, as Registrar under the Act, and be approved by a majority of creditors. The trustee must file a statement of his accounts with the Inspector General annually or upon the administration of an estate being completed. A debtor cannot obtain a release of his debts thereunder except by obtaining a release in full from each creditor.

*The Courts.*—The functions of the courts are quite similar under both the English and Canadian Acts, except that outside of the metropolitan area of London, certain of the judges and officials of the County Courts are designated to deal with bankruptcy matters. The Senior Registrar under the English Act occupies a much higher judicial status than a Registrar under the Canadian Act. He is to all intents and purposes a judge in fact if not in name. The duties he performs are regarded as of a highly specialized judicial nature. Appeals from his decisions go direct to an appeal court composed of three high court judges specially designated by the Lord Chancellor to act as a Bankruptcy Court of Appeal.

*The Board of Trade.*—The Board of Trade acts by the Inspector General of Bankruptcy appointed to deal with all bankruptcy matters in its behalf. He exercises supervisory authority over all Official Receivers and Trustees. His authority is much more definite and extensive than that of the Superintendent of Bankruptcy. He is rather an executive in charge and control of all administrative functions of the Act. His duties are divided more particularly into three categories:—

- (a) Keeping records of the administration of estates.
- (b) Supervision of Official Receivers and Trustees, and
- (c) Prosecution of offenders.



(a) *Records of the Administration of Estates*

A record of the administration of all estates is kept for statistical purposes and for the compilation of annual returns.

(b) *Supervision of Official Receivers and Trustees*

The Official Receivers, of whom there are some thirty-eight, are appointed by the Board of Trade. They are mostly solicitors located at important judicial centres throughout the country. All of them, except seven or eight, are salaried officials, the policy of the Department for some years past being to appoint salaried officials where the volume of work warrants this being done. Thus they become members of the permanent Civil Service. The Official Receivers are under the direct supervision of the Inspector of Official Receivers, a member of the staff of the Inspector General. He is a qualified solicitor and his appointment is generally a promotion from among the Official Receivers. He travels about considerably and makes his services available to the Official Receivers in special circumstances such as unusual examinations of debtors and for prosecution of offenders at preliminary hearings outside of the London area. Thus the Official Receivers are directly under the control and authority of the Inspector General.

Trustees when appointed by the creditors must file security in each estate to the satisfaction of the Inspector General who must certify his appointment before a trustee can act. All receipts from assets in bankrupt estates are paid direct or through local banks into the Bank of England and all payments by trustees are made by requisition to the Inspector General. By a system of periodical reports and returns the administration of trustees generally is closely followed, but more particularly every precaution is taken to see that estate funds and assets are scrupulously accounted for. The accounts of the trustees are audited in a most exacting manner. Dilatoriness or neglect in bringing the administration to completion are not permitted, otherwise the Inspector General merely declines to certify to further appointments. There is no questioning his discretion in the matter. When the Inspector General in due course is satisfied with the trustee's administration and the accounts are finally audited and passed, the trustee is presumed to have completed his duties and the Inspector General gives the trustee a release.

(c) *Prosecution of Offenders*

The Inspector General plays a very important part in the prosecution of debtors and other offenders. The Official Receivers, most of whom are solicitors, either personally or through the staffs provided for them by the Inspector General, make a thorough and most exhaustive examination of all debtors. If offences are indicated a report thereon supplemented by any further evidence discovered by the trustee is forwarded by the Official Receiver to the Inspector General, where the report is carefully examined further to see if any other bankruptcy or criminal offences have been committed that may have been overlooked. The report with the comments of the Inspector General is then forwarded to certain specially qualified solicitors of the Board of Trade who further examine the report and as the facts warrant the report is returned to the Inspector General with a recommendation for or against prosecution. The report is then returned to the Official Receiver who places it before the Court, which almost invariably makes an order in accordance with the recommendation. In the London metropolitan area the order with a copy of the report is then transmitted to the Director of Public Prosecutions to prosecute.

Outside of the London area the Official Receiver usually is instructed personally to prosecute and he is assisted where deemed necessary by the Inspector of Official Receivers. If his services are not available one of the departmental bankruptcy solicitors of the Board of Trade may be designated to render the legal assistance required. After committal the Crown



authorities take up the case, but in many instances the bankruptcy solicitors are authorized to proceed with the case because of their special knowledge of the subject.

In this way the responsibility for the prosecution of offences is not left to the creditors or the trustees, but is accepted as the responsibility of the officials of the Crown. The result of this procedure is that the evidence is so carefully scrutinized beforehand that conviction almost without exception follows prosecution, and that very few debtors or offenders escape. Nevertheless adverse criticism was received mainly from creditors and trustees that prosecutions are not directed as often as they should be. This criticism possibly was partly due to the fact that trustees and creditors do not appreciate as fully as the departmental officials and solicitors the evidence required to establish legal proof of guilt.

*The Official Receiver.*—The duties of an Official Receiver are of a two-fold nature. Firstly, as Official Receiver more specifically, and secondly, as a trustee.

As Official Receiver he performs all the duties of a custodian under the Canadian Act and acts as Chairman of the first meeting of creditors. Another duty which has assumed much importance is the examination of the debtor. The books and records of a debtor are brought into the Official Receiver's office and most carefully examined and scrutinized personally by the Official Receiver or by a member of his staff especially trained in this work. Days and sometimes weeks are often spent on this examination. The debtor is then called in for questioning to explain his losses and the causes of the bankruptcy. These examinations sometimes continue for days. The attendance of the debtor is no by-your-leave affair. While his convenience is reasonably taken into account, yet he is given to understand that the directions of the Official Receiver as to attendance are to be obeyed implicitly and he must attend repeatedly until the examiner is satisfied that no more information can be obtained. Under the English Act failure to explain satisfactorily the causes of a debtor's loss is a bankruptcy offence and hence the probing of the examiner is more particularly directed to ascertain the exact causes of the losses and whether or not the debtor's business has been carried on honestly. When the examination is completed a summarized statement is prepared which the debtor is required to sign. This statement is taken as the basis later for the examination of the debtor in open court by the Official Receiver. If the facts disclosed indicate that other persons should be examined, the trustee is so advised and almost invariably such examinations are held. From the combined information thus obtained the report to the Inspector General with respect to a prosecution is made. The thoroughness of the examination of the debtor is one of the outstanding features of the English system.

As trustee, where the Official Receiver reports that the value of the assets is not likely to exceed £300 if authorized by the court he acts summarily as trustee, subject to a private trustee being appointed by the creditors at the first meeting. In non-summary cases, if the creditors fail to appoint a trustee, or a vacancy occurs, the Official Receiver automatically becomes the trustee. Where the Official Receiver acts as trustee, the Inspector General exercises all the authority of the committee of inspection. Very rarely do creditors appoint a trustee in summary cases to displace the Official Receiver, so the distinct advantage is seen over the Canadian system in that provision is made for complete administration of every estate and of small estates particularly.

*Trustees.*—The Official Receivers act as official trustees in all estates unless a private trustee is appointed by the creditors as previously indicated. Private or non-official trustees restrict themselves more definitely to the larger estates.

Altogether, in 1937, 3,123 adjudications occurred in England of which the Official Receivers took under administration 2,492 summary cases and 65 non-summary cases with combined assets valued by the debtors at approximately £237,263, and private trustees took in hand 58 summary cases and 469 non-summary cases with assets similarly valued at £764,358. Besides, private trustees took under administration 1,630 estates under the Deeds of Arrangement Act with assets valued at £1,825,003, of which 94 per cent were deeds of assignment for the benefit of creditors generally. Altogether private or non-official trustees retained for administration 2,157 estates with assets of £2,589,361, as compared with 2,557 estates with assets of £237,263 administered by official trustees. It may be noted that while the creditors could if they so wished have the administration of all estates begun under the Deeds of Arrangement Act brought under the Bankruptcy Act and thereby obtain supervised administration, they are content to have the administration of such estates completed by private trustees with such control as they themselves can exercise. They must also know that such proceedings permit situations to be passed over which the safeguards of the Bankruptcy Act are intended to check and bring to light by obtaining full disclosure of any misconduct of debtors. Nevertheless the fact that nearly twice the value of assets is administered under the Deeds of Arrangement Act as under the Bankruptcy Act and that creditors are not opposed to such proceedings may be regarded as a remarkable tribute to the efficiency of supervised administration as creditors know that they can always resort thereto when deemed desirable, or it may indicate that creditors as well as trustees are not too strongly in favour of rigid official supervision and are willing to take certain risks to keep matters more in their own hands. The situation is undoubtedly an anomalous one and the explanation for its being continued can only be a matter for conjecture.

The Bankruptcy (Scotland) Act, 1913, is fundamentally Scottish in its origin and nature. It applies to both persons and corporations. Under the English Act the principal of creditor control is practically submerged by the supervision of the Inspector General of Bankruptcy. Under the Scottish Act the theory of creditor control applies in its widest sense as the creditors themselves are responsible for all proceedings taken in the interest of the estate. In this respect it is more similar to the Canadian Act, except that provision has been made for examination of debtors and others before the sheriff in open court. The Act places no responsibility upon departmental authorities to initiate corrective or penal procedures. The only supervisory control, if such it may be called, is exercised by the Accountant of Court in whose office a register of all sequestrations is kept and to whom all returns for record purposes are sent. It is his duty further to take cognizance of the conduct of the trustees and commissioners (analogous to committee of Inspectors) to receive complaints of creditors with respect to the administration and after inquiry to report to the Lord Advocate or the sheriff. Provision has also been made for the Accountant of Court or a trustee suspecting bankruptcy offences to have been committed to report to the Lord Advocate who directs such inquiry or takes such proceedings as he shall think fit. The administration of trustees may also be investigated through proceedings directed by the Lord Advocate. Otherwise the Act is hypothecated on the principle that the creditors themselves must accept full responsibility for enforcement of any remedy for infringement of their legal rights.

The staff of the Accountant of Court for bankruptcy purposes consists only of one clerk and two juniors, so it is apparent that the office of the Accountant is not organized to carry on extensive inquiries in addition to keeping the records of the office, but the need for elaborate state supervision does not appear to have arisen as the proportion of problems arising out of dishonest dealings is stated to be relatively small.



*Comparative Official Costs*

According to the annual report of the Inspector General of Bankruptcy for 1937, the last received, 3,092 estates were closed out in England during that year. The total official expenditure for the same period was £214,181, of which £168,894 was expended in payment of salaries of the staffs of the Inspector General, the Official Receivers and court officials and the balance of £45,287 for other miscellaneous purposes, such as travelling expenses, rent, rates, taxes, pensions, etc. To provide for this expenditure the sum of £118,313 was collected in cash, fees and stamps, from the estates' funds, the sum of £41,896 was received from dividends on invested surplus bankruptcy funds, while the balance of £53,972 was provided out of government funds. In Canada, in 1938, 1,274 estates were closed out at a total cost (estimated) of \$86,521, of which sum \$33,269 was expended to maintain the office of the Superintendent of Bankruptcy, \$20,522 the estimated fees collected by Official Receivers and \$32,730 the estimated revenue from court fees. Of the \$33,269 expended for the maintenance of the office of the Superintendent, the sum of \$12,664 was collected from the levy under Section 126A, and the sum of \$5,500 from licence fees, a total of \$18,164. Altogether an estimated sum of \$65,916 was collected from estate funds and \$5,500 from licence fees, a total of \$71,416, leaving a deficit of \$15,105 to be provided for out of the previous surplus to the credit of this account, or from Government Consolidated Funds. In Scotland, in 1937, the total expenditure for the salaries of the Accountant of Court and his staff engaged in bankruptcy work exclusively did not exceed £2,000. As compared with an official expenditure in England of £214,181, in 1937 during which time 3,092 estates were closed out, the estimated expenditure in Canada of \$86,521 in 1938 when 1,274 estates were closed out is accordingly relatively small.

*General Observations*

Altogether the general impression received is that the English system operates highly efficiently. An elaborate organization has been established under which the possibility of error or omission has been almost entirely removed. Some strong criticisms were heard of the system being too elaborate and too technical, that there were too many forms and returns to be filled out by Official Receivers and trustees, and that routine formalities and safeguards have overshadowed the actual administration. Nevertheless certain features of the operative procedures of the English system stand out. Every reasonable effort is made to avoid an adjudication of bankruptcy by suggesting to and encouraging the debtor to submit a proposal of composition. Prompt and expeditious administration of all estates is obtained, particularly of small estates from which a private trustee cannot receive adequate remuneration. The fact has further been recognized that to maintain the proper moral atmosphere surrounding bankruptcy matters certain procedures cannot be left to the discretion of the creditors or the trustee. Hence the examination of debtors and particularly the entire responsibility for the prosecution of debtors and others for offences committed has been placed entirely upon departmental authority. But above all, perhaps the most striking feature of the operation of the English Act is the thoroughness and finality of all proceedings. The system at large is a development from long experience. Many of the established principles and practices of proved value are well worthy of the consideration of those interested in the improvement of bankruptcy administration in Canada.



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PART I  
BANKRUPTCIES REPORTED DURING 1938

TABLE I.—NEW BANKRUPTCIES REPORTED

Province or City	Number of Estates opened	Per-centage of Total	Assets as estimated by Debtors	Liabilities as estimated by Debtors	Average per Estate	
					Assets	Liabilities
		%	\$	\$	\$	\$
Nova Scotia.....	20	1·86	288,732	372,932	14,437	18,647
New Brunswick.....	19	1·77	138,097	618,663	7,268	32,561
Prince Edward Island.....	4	0·37	12,390	23,957	3,098	5,989
Quebec.....	309	28·77	2,677,815	3,452,799	8,666	11,174
Montreal.....	369	34·36	3,063,347	4,868,120	8,302	13,193
Ontario.....	182	16·95	3,182,081	2,887,800	17,484	15,867
Toronto.....	95	8·85	2,288,945	2,647,774	24,095	27,871
Manitoba.....	24	2·23	174,335	222,278	7,264	9,262
Saskatchewan.....	13	1·21	219,051	236,332	16,850	18,179
Alberta.....	10	0·93	34,883	59,248	3,488	5,925
British Columbia.....	29	2·70	354,963	435,373	12,240	15,013
Total.....	1,074	100·00	12,434,639	15,825,276	11,578	14,735

TABLE II.—OLD BANKRUPTCIES (ESTATES IN EXISTENCE PRIOR TO THE 1932 AMENDMENT) REPORTED TO SUPERINTENDENT DURING 1938

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
137	2	.....	1	16	30	29	38	6	5	5	5

TABLE III.—TOTAL BANKRUPTCIES REPORTED DURING 1938

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
1,211	22	19	5	325	399	211	133	30	18	15	34

TABLE IV.—ESTATES ON HAND AT 31st DECEMBER, 1938

Year	New Estates			Old Estates		
	Opened	Closed	Carried Over	Reported	Closed	Carried Over
1933.....	2,604	850	1,754	1,340	860	480
1934.....	1,411	1,620	1,545	2,030	1,033	1,477
1935.....	1,263	1,198	1,610	343	428	1,392
1936.....	1,154	1,069	1,695	194	480	1,106
1937.....	967	1,149	1,513	126	337	895
1938.....	1,074	1,098	1,489	137	176	444*
Total.....	8,473	6,984	1,489	4,170	3,314	444

\*412 old estates which had been carried during the period 1933-1937 have been omitted from the figures for 1938. These estates were reported for various reasons but it has been found in most cases that the actual administration had been completed although in some all the formal requirements have not been fulfilled.

Incompleted estates—	
Administration carried over to 1939—New.....	1,489
Old.....	444
Total.....	1,933

TABLE V.—PERCENTAGE OF ASSIGNMENTS AND RECEIVING ORDERS TO TOTAL NUMBER OF NEW BANKRUPTCIES REPORTED DURING 1938

Province or City	New Bankruptcies 1938	Assignments		Receiving Orders	
		Number	Per cent	Number	Per cent
Nova Scotia.....	20	18	90.00	2	10.00
New Brunswick.....	19	18	94.74	1	5.26
Prince Edward Island.....	4	4	100.00		
Quebec.....	309	258	83.50	51	16.50
Montreal.....	369	319	86.45	50	13.55
Ontario.....	182	152	83.52	30	16.48
Toronto.....	95	73	76.84	22	23.16
Manitoba.....	24	24	100.00		
Saskatchewan.....	13	12	92.30	1	7.70
Alberta.....	10	8	80.00	2	20.00
British Columbia.....	29	23	79.31	6	20.69
Total.....	1,074	909	84.64	165	15.36

TABLE VI.—OCCUPATIONAL CLASSIFICATION OF DEBTORS

—	N.S.	N.B.	P.E.I.	Que.	Mt'l	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
<b>MANUFACTURE AND INDUSTRY—</b>												
Lumber and woodworking.....	1	2		11	5	7	1		2		6	35
Mining.....	1	1		3	8	3	3				1	20
Food Products.....				18	16	13	4					51
Furniture.....				2	2		3				1	8
Shoes and Leather Goods.....	1			5	2	1						9
Clothing.....				4	32	2	8	2				48
Drugs and Chemicals.....					1		2					3
Metal Works.....		1		3	2	2	3				1	12
Printing.....				2	8	2	1				1	14
Tobacco.....						1	1					2
Smallware Manufacturing.....					2							2
Paint.....					2		1					3
Brick and Cement.....						3						3
Machinery Manufacturing.....					1	2	1	1		1	1	7
Box Manufacturing.....				2	2							4
Boat Building.....						2						2
Miscellaneous.....					5	3	1			1		10
Total.....	3	4	0	50	88	41	29	3	2	2	11	233
<b>TRADE—</b>												
Dry Goods.....	1	3	1	43	31	38	16	3	2	1	4	143
Food Products.....	7	2	1	56	69	26	11	1	2	3	1	179
General Merchants.....	1	4		40	9	11	2	8	1	2	2	80
Footwear.....			1	2	4	3	1	1				12
Furs.....				1	1		1					3
Furniture.....	1			2	2	4	1				1	11
Fuels.....		1		4	4	3	4	1	1		1	19
Electric Supplies.....	1			3	2	1	2				1	10
Plumbing Supplies.....				4		4	1					9
Store Fixtures and Supplies.....					1	3		1				5
Hardware.....		1		5	4	7	2		2		1	22
Painters and Decorators.....					3	1	1					5
Building Contractors.....				7	12	7	6					32
Garage and Auto Supplies.....	2			11	10	7	3		1	2	1	37
Druggists.....	2	1		4	5	3			1			16
Tobacco and Stationery.....		1		11	16	2			1			31
Jewellers.....				2	1	2						5
Miscellaneous.....				4		1					2	7
Total.....	15	13	3	199	174	123	51	16	10	8	14	626
<b>OTHERS—</b>												
Transportation.....				6	3	3	2		1		1	16
Finance.....				2	3	4	2					11
<b>Service—</b>												
Professional.....				2	8		3					13
Business.....					3		1					4
Recreational.....				1	1	1					1	4
Personal.....	1			6	9							16
Hotel.....				4	1	1	1					7
Wage Earners.....		1	1	31	53	5	3	4			1	99
Real Estate and Insurance.....					4							4
Commercial Agents & Salesmen.....	1			7	22	4	3	1			1	39
Miscellaneous.....		1		1								2
Total.....	2	2	1	60	107	18	15	5	1		4	215
Grand Total.....	20	19	4	309	369	182	95	24	13	10	29	1,074



PART II  
ESTATES CLOSED DURING 1938  
(Exclusive of "Old" Estates reported in Part IV)

TABLE VII.—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION, BY DISTRICTS

Province or City	Number of Estates closed	Assets as estimated by debtors	Liabilities as estimated by debtors	Realization	Receipts from operations	Gross receipts	Cost of Administration	Per-centage cost	Paid to creditors	Realized direct by secured creditors (approx.)	Total amount recovered by creditors (approx.)
	No.	\$	\$	\$ cts.	\$ cts.	\$ cts.	\$ cts.	%	\$ cts.	\$	\$
Nova Scotia.....	16	164,399	285,017	48,868 64	.....	48,868 64	8,737 62	17.88	40,131 02	53,964	94,095
New Brunswick.....	22	140,809	214,573	31,963 10	.....	31,963 10	11,084 90	34.67	20,878 20	23,277	44,155
Prince Edward Island.....	1	2,350	3,805	1,849 87	.....	1,849 87	374 59	20.25	1,475 28	395	1,870
Quebec.....	267	2,401,078	3,139,459	660,770 72	4,154 71	664,925 43	152,944 92	23.00	511,980 51	938,566	1,450,547
Montreal.....	350	5,964,938	7,907,233	552,459 75	4,032 44	556,492 19	174,680 02	31.38	381,812 17	1,039,444	1,421,256
Ontario.....	238	3,654,658	4,079,164	609,911 20	8,948 18	618,859 38	199,107 24	32.17	419,752 14	917,020	1,336,772
Toronto.....	94	2,234,322	4,009,657	271,876 26	5,961 22	277,837 48	83,153 06	29.93	194,684 42	973,024	1,167,709
Manitoba.....	17	100,231	173,615	32,014 81	373 35	32,388 16	9,822 58	30.33	22,565 58	25,390	47,956
Saskatchewan.....	21	281,382	352,346	38,780 04	516 49	39,296 53	12,095 43	30.78	27,201 10	49,304	76,505
Alberta.....	42	521,796	584,908	112,255 55	2,569 23	114,824 78	35,929 39	31.29	78,895 39	94,415	173,310
British Columbia.....	30	529,313	990,354	139,256 90	.....	139,256 90	29,555 67	21.22	109,701 23	149,834	259,535
Total.....	1,098	15,995,276	21,740,131	2,500,006 84	26,555 62	2,526,562 46	717,485 42	28.39	1,809,077 04	4,264,633	6,073,710

TABLE VIII.—CLASSIFICATION OF LIABILITIES AND PAYMENTS TO CREDITORS

Province or City	Liabilities estimated by Debtors			Payments to Creditors					Per-centage to Ordinary Creditors	Levy
	Total	Secured	Preferred	Ordinary	Total	Secured	Preferred	Ordinary		
	\$	\$	\$	\$	\$ cts.	\$ cts.	\$ cts.	\$ cts.	%	\$ cts.
Nova Scotia.....	285,017	66,104	10,390	208,523	40,131 02	2,158 40	6,115 58	31,647 13	15.18	209 91
New Brunswick.....	214,573	30,257	12,157	172,159	20,878 20	718 93	5,921 64	11,133 16	6.47	104 47
Prince Edward Island.....	3,805	395	13	3,397	1,475 28	.....	57 95	1,409 95	41.51	7 38
Quebec.....	3,139,459	1,152,831	175,799	1,810,829	511,980 51	141,129 95	120,555 37	247,717 49	13.68	2,577 70
Montreal.....	7,907,233	1,107,346	227,849	6,572,038	381,812 17	97,983 53	105,128 37	176,810 33	2.69	1,939 94
Ontario.....	4,079,164	1,239,730	217,917	2,621,517	419,752 14	120,812 81	129,784 71	166,848 35	6.37	2,306 27
Toronto.....	4,009,657	1,080,592	99,097	2,829,968	194,684 42	60,797 54	55,533 11	77,312 27	2.73	1,041 50
Manitoba.....	173,615	30,524	5,616	137,475	22,565 58	4,549 20	3,020 04	14,885 02	10.83	111 32
Saskatchewan.....	352,346	51,781	23,050	277,515	27,201 10	597 22	11,847 33	14,615 95	5.27	140 60
Alberta.....	584,908	155,731	70,747	358,430	78,895 39	28,213 28	26,499 36	23,775 87	6.63	406 88
British Columbia.....	990,354	169,716	41,532	779,106	109,701 23	17,491 98	18,325 74	73,295 01	9.42	588 50
Total.....	21,740,131	5,085,007	884,167	15,770,957	1,809,077 04	474,402 84	485,789 20	839,450 53	5.32	9,434 47

TABLE IX.—SUMMARY OF TOTAL ADMINISTRATIVE COSTS

Province or City	Number of Estates	Custodian	Trustee	Legal	Total Cost of Admin- istration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	16	1,539 76	5,560 22	1,637 64	8,737 62
New Brunswick.....	22	1,757 84	6,957 27	2,369 79	11,084 90
Prince Edward Island.....	1	63 30	258 69	52 60	374 59
Quebec.....	267	28,784 53	101,312 42	22,847 97	152,944 92
Montreal.....	350	30,339 03	120,715 25	23,625 74	174,680 02
Ontario.....	238	30,058 32	134,706 31	34,342 61	199,107 24
Toronto.....	94	12,260 86	50,585 27	20,306 93	83,153 06
Manitoba.....	17	1,690 74	6,189 13	1,942 71	9,822 58
Saskatchewan.....	21	2,536 84	7,685 35	1,873 24	12,095 43
Alberta.....	42	5,266 79	21,428 42	9,234 18	35,929 39
British Columbia.....	30	3,037 07	20,619 09	5,899 51	29,555 67
Total.....	1,098	117,335 08	476,017 42	124,132 92	717,485 42

TABLE X.—RATES OF DIVIDENDS PAID IN ESTATES CLOSED DURING 1938

Province or City	Num- ber of Estates Closed	Closed without Divi- dend	Dividends									
			Under 1%	1% Under 2½%	2½% Under 5%	5% Under 10%	10% Under 15%	15% Under 25%	25% Under 50%	50% Under 75%	75% Under 100%	At 100%
Nova Scotia....	16	7	.....	1	.....	4	.....	3	1	.....	.....	.....
New Brunswick.....	22	16	.....	1	.....	1	1	1	1	.....	1	.....
Prince Edward Island.....	1	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....
Quebec.....	267	148	4	5	11	22	25	15	22	11	1	3
Montreal.....	350	268	4	5	9	18	8	13	19	4	1	1
Ontario.....	238	143	6	7	13	9	18	22	13	5	1	1
Toronto.....	94	57	1	6	5	2	6	6	7	4	.....	.....
Manitoba.....	17	5	.....	1	5	2	2	.....	1	1	.....	.....
Saskatchewan..	21	12	.....	1	.....	4	2	1	.....	1	.....	.....
Alberta.....	42	16	1	3	2	9	2	4	4	.....	.....	1
British Columbia.....	30	15	.....	.....	.....	4	1	3	4	3	.....	.....
Total.....	1,098	687	16	30	45	75	65	68	73	29	4	6
Percentage of Total.....	.....	62.57%	1.46%	2.73%	4.10%	6.83%	5.92%	6.19%	6.65%	2.64%	0.36%	0.55%



TABLE XI.—COMPARATIVE AVERAGES OF RECEIPTS AND DISBURSEMENTS FOR THE YEARS 1934 TO 1938

	1934	1935	1936	1937	1938
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Average assets.....	9,190 00	11,719 00	9,649 00	16,011 00	14,568 00
Average liabilities.....	12,557 00	16,196 00	13,114 00	17,782 00	19,780 00
RECEIPTS					
Realizations.....	2,286 58	2,296 79	2,059 41	2,403 77	2,276 87
Net receipts from operations.....	56 20	27 96	59 50	38 13	24 18
Total receipts.....	2,342 78	2,324 75	2,118 91	2,441 90	2,301 05
DISBURSEMENTS					
<i>Custodian—</i>					
Fees of Official Receiver.....	15 73	16 22	15 94	15 74	16 22
Advertising.....	18 38	19 07	18 97	19 40	19 15
Notices to Creditors.....	10 87	12 67	11 56	11 51	12 51
Postage.....	5 14	5 98	5 61	5 55	5 95
Possession and stocktaking.....	42 15	46 30	36 79	33 12	35 80
Bond and insurance premiums.....	7 78	8 33	6 18	6 22	5 76
Miscellaneous.....	10 59	15 96	8 22	11 29	11 47
Custodian costs.....	110 64	124 53	103 27	102 83	106 86
<i>Trustee—</i>					
Advertising.....	18 08	18 91	16 59	15 76	15 34
Bond and insurance premiums.....	21 31	22 83	21 31	29 32	32 84
Auctioneer.....	10 22	9 47	10 87	12 48	13 46
Notices to creditors.....	18 94	20 94	18 05	17 27	19 45
Postage.....	9 68	11 48	10 32	10 36	12 21
Registrar's fees.....	19 94	20 39	17 39	13 88	13 33
Inspectors' fees and expenses.....	23 42	27 28	23 95	26 94	24 34
Miscellaneous.....	75 21	91 07	91 93	107 83	103 43
Loss on operations.....	4 00	47	9 32	10 81	22 52
Trustee's fee (less deficit).....	128 31	151 86	127 46	179 49	176 61
Trustee costs.....	329 11	374 70	347 19	424 14	433 53
<i>Legal—</i>					
On petition or assignment.....	38 04	43 87	38 94	33 89	33 10
Solicitor to estate.....	60 40	82 21	70 06	101 82	74 70
Awarded against trustee.....	1 52	4 17	4 78	7 96	5 25
Legal costs.....	99 96	130 25	113 78	143 67	113 05
TOTAL COST OF ADMINISTRATION.....	539 71	629 48	564 24	670 64	653 44
AVAILABLE FOR DISTRIBUTION.....	1,803 07	1,695 27	1,554 67	1,771 26	1,647 61
Levy.....	7 99	8 40	7 34	10 49	8 59
Paid to secured creditors.....	483 16	378 89	485 88	426 95	432 06
Paid to preferred creditors.....	502 17	484 59	428 94	549 13	442 43
Paid to ordinary creditors.....	809 75	823 39	632 51	784 69	764 53
Total dividend.....	1,803 07	1,695 27	1,554 67	1,771 26	1,647 61
Percentage cost of administration.....	23.0%	27.0%	26.6%	27.46%	28.39%





PART III

COMPARATIVE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

(Exclusive of " Old " Estates referred to in Part IV)

TABLE XIII.—CLASSIFICATION OF ESTATES ACCORDING TO SIZE

Province or City	\$500 or under	\$501–\$1,000	\$1,001–\$2,500	\$2,501–\$5,000	\$5,001–\$10,000	Over \$10,000	Total
Nova Scotia.....	6	4	2	2	1	1	16
New Brunswick.....	10	3	7	.....	2	.....	22
Prince Edward Island.....	.....	.....	1	.....	.....	.....	1
Quebec.....	105	49	62	19	19	13	267
Montreal.....	211	46	53	18	9	13	350
Ontario.....	94	40	45	29	17	13	238
Toronto.....	28	14	25	12	9	6	94
Manitoba.....	5	5	4	1	1	1	17
Saskatchewan.....	7	8	1	3	1	1	21
Alberta.....	8	11	12	6	4	1	42
British Columbia.....	5	6	7	6	3	3	30
Total.....	479	186	219	96	66	52	1,098
Percentage.....	43.63%	16.94%	19.94%	8.74%	6.01%	4.74%	100%

TABLE XIV.—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estate	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	479	107,795	92,403	225 04	192 91	85.72
\$501 – \$1,000.....	186	134,205	70,998	721 53	381 71	52.90
\$1,001 – \$2,500.....	219	350,911	134,301	1,602 33	613 25	38.27
\$2,501 – \$5,000.....	96	332,039	93,860	3,458 74	977 71	28.27
\$5,001 – \$10,000.....	66	479,623	111,136	7,267 02	1,683 83	23.17
Over \$10,000.....	52	1,121,989	214,787	21,576 71	4,130 52	19.14
Total.....	1,098	2,526,562	717,485	2,301 06	653 45	28.39

TABLE XIV.—(1) COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES  
ESTATES OF \$500 OR LESS

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	6	1,300	1,037	216 67	172 83	79.77
New Brunswick.....	10	2,080	1,574	208 00	157 40	75.67
Prince Edward Island.....	.....	.....	.....	.....	.....	.....
Quebec.....	105	25,236	21,570	240 34	205 43	85.47
Montreal.....	211	43,716	39,181	207 18	185 69	89.63
Ontario.....	94	23,454	18,940	249 51	201 49	80.75
Toronto.....	28	6,170	5,408	220 36	193 14	87.65
Manitoba.....	5	995	848	199 00	169 60	85.23
Saskatchewan.....	7	1,936	1,598	276 56	228 29	82.55
Alberta.....	8	1,637	1,452	204 62	181 50	88.70
British Columbia.....	5	1,271	795	254 20	159 00	62.55
Total.....	479	107,795	92,403	225 04	192 91	85.72



## THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIV.—(2) COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of estates	Realization	Cost of administration	Average realization	Average cost of administration	Percentage cost of administration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	4	3,052	1,345	763 00	336 25	44.07
New Brunswick.....	3	2,112	1,081	704 00	360 33	51.18
Prince Edward Island.....						
Quebec.....	49	33,687	19,400	687 49	395 92	57.59
Montreal.....	46	34,314	16,702	745 96	363 09	48.67
Ontario.....	40	28,568	15,221	714 20	380 53	53.28
Toronto.....	14	10,888	5,868	777 71	419 14	53.89
Manitoba.....	5	4,111	1,540	822 20	308 00	37.46
Saskatchewan.....	8	6,156	3,382	769 50	422 75	54.94
Alberta.....	11	7,008	4,231	637 09	384 64	60.37
British Columbia.....	6	4,309	2,228	718 17	371 33	51.70
Total.....	186	134,205	70,998	721 53	381 71	52.90

TABLE XIV.—(3) COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of estates	Realization	Cost of administration	Average realization	Average cost of administration	Percentage cost of administration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	2	3,286	823	1,643 00	411 50	25.05
New Brunswick.....	7	10,944	4,653	1,563 43	664 71	42.52
Prince Edward Island.....	1	1,850	375	1,850 00	375 00	20.27
Quebec.....	62	99,939	32,648	1,611 92	526 58	32.67
Montreal.....	53	83,708	36,710	1,579 40	692 64	43.85
Ontario.....	45	72,057	27,305	1,601 27	606 78	37.89
Toronto.....	25	42,061	17,673	1,682 44	706 92	42.02
Manitoba.....	4	6,774	2,492	1,693 50	623 00	36.79
Saskatchewan.....	1	1,468	412	1,468 00	412 00	28.07
Alberta.....	12	19,691	8,230	1,640 92	685 83	41.80
British Columbia.....	7	9,133	2,980	1,304 71	425 71	32.63
Total.....	219	350,911	134,301	1,602 33	613 25	38.27

TABLE XIV.—(4) COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of estates	Realization	Cost of administration	Average realization	Average cost of administration	Percentage cost of administration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	2	8,458	1,312	4,229 00	656 00	15.51
New Brunswick.....						
Prince Edward Island.....						
Quebec.....	19	61,285	15,233	3,225 53	801 74	24.85
Montreal.....	18	68,363	16,428	3,797 94	912 67	24.03
Ontario.....	29	97,620	28,869	3,366 21	995 48	29.57
Toronto.....	12	41,961	16,176	3,496 75	1,348 00	35.69
Manitoba.....	1	2,617	558	2,617 00	558 00	21.32
Saskatchewan.....	3	8,862	2,344	2,954 00	781 33	26.45
Alberta.....	6	18,808	4,370	3,134 67	728 33	23.26
British Columbia.....	6	24,065	8,570	4,010 83	1,428 33	35.61
Total.....	96	332,039	93,860	3,458 74	977 71	23.27

TABLE XIV.—(5) COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	1	9,985	2,703	9,985 00	2,703 00	27·07
New Brunswick.....	2	16,827	3,777	8,413 50	1,888 50	22·44
Prince Edward Island.....						
Quebec.....	19	130,316	26,511	6,858 74	1,395 33	20·34
Montreal.....	9	66,103	14,000	7,344 78	1,555 56	21·18
Ontario.....	17	129,029	34,263	7,589 94	2,015 47	26·55
Toronto.....	9	62,096	16,669	6,899 56	1,852 11	26·84
Manitoba.....	1	6,947	912	6,947 00	912 00	13·13
Saskatchewan.....	1	9,592	2,027	9,592 00	2,027 00	21·13
Alberta.....	4	27,342	7,066	6,835 50	1,766 50	25·84
British Columbia.....	3	21,386	3,208	7,128 67	1,069 33	15·00
Total.....	66	479,623	111,136	7,267 02	1,683 88	23·17

TABLE XIV.—(6) COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$10,000

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	1	22,788	1,518	22,788 00	1,518 00	6·66
New Brunswick.....						
Prince Edward Island.....						
Quebec.....	13	314,462	37,583	24,189 38	2,891 00	11·95
Montreal.....	13	260,288	51,658	20,022 15	3,973 69	19·85
Ontario.....	13	268,131	74,509	20,625 46	5,731 46	27·79
Toronto.....	6	114,661	21,359	19,110 17	3,559 83	18·63
Manitoba.....	1	10,944	3,473	10,944 00	3,473 00	31·73
Saskatchewan.....	1	11,283	2,332	11,283 00	2,332 00	20·67
Alberta.....	1	40,339	10,580	40,339 00	10,580 00	26·23
British Columbia.....	3	79,093	11,775	26,364 33	3,925 00	14·89
Total.....	52	1,121,989	214,787	21,576 71	4,130 52	19·14

TABLE XV.—RECAPITULATION OF PERCENTAGE COST OF ADMINISTRATION

Province or City	\$500 or under	\$501— \$1,000	\$1,001— \$2,500	\$2,501— \$5,000	\$5,001— \$10,000	Over \$10,000	Total
	%	%	%	%	%	%	%
Nova Scotia.....	79·77	44·07	25·05	15·51	27·07	6·66	17·88
New Brunswick.....	75·67	51·18	42·52	.....	22·44	.....	34·67
Prince Edward Island.....			20·27				20·27
Quebec.....	85·47	57·59	32·67	24·85	20·34	11·95	23·00
Montreal.....	89·63	48·67	43·85	24·03	21·18	19·85	31·38
Ontario.....	80·75	53·28	37·89	29·57	26·55	27·79	32·17
Toronto.....	87·65	53·89	42·02	35·69	26·84	18·63	29·93
Manitoba.....	85·23	37·46	36·79	21·32	13·13	31·73	30·33
Saskatchewan.....	82·55	54·94	28·07	26·45	21·13	20·67	30·78
Alberta.....	88·70	60·37	41·80	23·26	25·84	26·23	31·29
British Columbia.....	62·55	51·70	32·63	35·61	15·00	14·89	21·22
Average percentage cost.....	85·72	52·90	38·27	28·27	23·17	19·14	28·39

## PART IV

## OLD ESTATES CLOSED DURING 1938

TABLE XVI.—REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of estates	Realization	Cost of administration	Average realization	Average cost of administration	Percentage cost of administration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	36	9,792	8,452	272 00	234 78	86.32
\$501-\$1,000.....	18	12,790	9,269	710 56	514 94	72.42
\$1,001-\$2,500.....	42	72,041	30,757	1,915 26	732 31	38.24
\$2,501-\$5,000.....	29	103,122	45,446	3,555 93	1,567 10	44.07
\$5,001-\$10,000.....	26	194,554	80,538	7,482 85	3,097 62	41.40
Over \$10,000.....	25	1,178,296	217,270	47,131 84	8,690 80	18.44
Total.....	176	1,570,595	391,732	8,923 84	2,225 75	24.94

## OTHER ESTATES COMPLETED DURING 1938

TABLE XVII.—ESTATES RE-OPENED TO REALIZE AND DISTRIBUTE AFTER-ACQUIRED ASSETS

Province or City	Estate originally closed	Subsequent realization	Cost of administration	Paid to creditors
		\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	Dec. 16, 1937	217 37	18 79	198 58
Quebec.....	July 31, 1934	11,815 35	1,080 79	10,734 56
Montreal.....	June 30, 1936	896 12	152 50	743 62
Ontario.....	Jan. 31, 1938	671 12	101 30	569 82
Toronto.....	Oct. 29, 1936	618 86	121 22	497 64
Manitoba.....	June 2, 1928	4,117 35	827 42	3,289 93
Alberta.....	Sept. 27, 1934	316 32	20 97	295 35
British Columbia.....	April 11, 1935	513 57	25 68	487 89
British Columbia.....	Feb. 5, 1937	831 37	59 43	771 94
Total.....		19,997 43	2,408 10	17,589 33



## PART V

## MISCELLANEOUS INFORMATION

TABLE XVIII.—APPLICATIONS OF DEBTORS FOR THEIR DISCHARGE FROM BANKRUPTCY DEALT WITH DURING 1938

Province or City	Pending at end of 1937	Dis-charges applied for	Granted unconditionally	Suspended					Bank-ruptcies annulled	Applica-tions refused	Pending at end of 1938
				Three months	Six months	One year	Two years	Until 20% paid	Until 50% paid		
Nova Scotia.....	.....	7	5	.....	.....	.....	.....	.....	.....	.....	2
New Brunswick.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	1
Prince Edward Island.....	.....	2	2	.....	.....	.....	.....	.....	.....	.....	.....
Quebec.....	28	119	76	.....	3	5	11	.....	3	1	30
Montreal.....	51	203	102	.....	5	16	42	1	6	1	67
Ontario.....	3	32	29	.....	.....	.....	.....	.....	.....	1	3
Toronto.....	1	17	17	.....	.....	.....	.....	.....	.....	.....	1
Manitoba.....	.....	3	2	.....	.....	.....	.....	.....	.....	.....	1
Saskatchewan.....	.....	7	5	.....	.....	.....	.....	.....	.....	.....	1
Alberta.....	1	4	3	.....	.....	.....	.....	.....	.....	.....	2
British Columbia.....	3	6	6	.....	.....	.....	.....	.....	.....	.....	3
Total.....	87	401	247	.....	8	21	53	1	9	3	112

TABLE XIX.—BANKRUPTCIES SETTLED BY PROPOSALS OF COMPOSITION, EXTENSION, OR SCHEME OF ARRANGEMENT

Nova Scotia.....	1
New Brunswick.....	1
Prince Edward Island.....	.....
Quebec.....	30
Montreal.....	19
Ontario.....	4
Toronto.....	.....
Manitoba.....	.....
Saskatchewan.....	1
Alberta.....	1
British Columbia.....	.....
Total.....	57

PART VI

THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

TABLE XX.—ASSETS AND LIABILITIES FOR ESTATES REPORTED DURING 1938

Province	Number of estates	Assets			Total assets	Average assets per estate	Liabilities		Total liabilities	Average liabilities per estate
		Land	Livestock	Machinery			Secured and preferred	Ordinary		
					\$	cts.			\$	cts.
Nova Scotia.....										
New Brunswick.....	3	4,400 00	365 00	725 00	5,490 00	1,830 00	3,634 16	4,086 83	7,720 99	2,573 66
Prince Edward Island.....	2	4,500 00	345 00	351 00	5,196 00	2,598 00	6,174 00	1,528 58	7,702 58	3,851 29
Quebec.....	35	151,643 00	14,731 00	14,052 00	180,426 00	5,155 03	212,995 04	45,045 20	258,040 24	7,372 58
Ontario.....	29	72,400 00	15,587 50	13,046 67	101,034 17	3,483 94	139,627 68	73,893 10	213,520 78	7,362 79
Manitoba.....	8	13,500 00	4,503 00	3,544 50	21,547 50	2,693 44	31,221 85	20,715 26	51,937 11	6,492 14
Saskatchewan.....	16	49,550 00	7,756 37	8,552 50	65,858 87	4,116 18	92,749 45	29,665 67	122,415 12	7,650 95
Alberta.....	15	49,865 00	7,243 00	13,855 50	70,963 50	4,730 90	134,504 79	38,511 45	173,016 24	11,534 42
British Columbia.....	2	23,450 00	366 50	795 00	24,611 50	12,305 75	30,213 22	5,360 49	35,573 71	17,786 86
Total.....	110	369,308 00	50,897 37	54,922 17	475,127 54	4,319 34	651,120 19	218,806 58	869,926 77	7,908 43

TABLE XXI.—ESTATES COMPLETELY ADMINISTERED DURING 1938

Province	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
Number of estates.....	0	2	0	47	29	13	28	18	2	139
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Liabilities (as estimated by farmers)	.....	9,378 54	.....	271,296 60	191,851 72	102,253 38	245,309 18	149,676 44	4,235 90	974,001 76
Assets (as estimated by farmers).....	.....	6,093 19	.....	204,340 75	104,748 87	51,715 12	134,226 70	71,248 55	3,140 45	575,513 63
TRUSTEE'S RECEIPTS										
Realization of assets.....	.....	48 19	.....	59,439 69	10,559 06	1,058 82	1,029 58	1,619 92	308 66	74,063 92
Advanced by Department to cover deficit.....	.....	72 51	.....	505 65	453 49	316 09	903 65	464 95	52 11	2,768 45
Total Receipts.....	.....	120 70	.....	59,945 34	11,012 55	1,374 91	1,933 23	2,084 87	360 77	76,832 37
TRUSTEE'S DISBURSEMENTS										
Paid to creditors.....	.....	.....	.....	52,429 23	8,119 48	648 84	516 06	1,115 93	216 28	63,045 82
Levy.....	.....	.....	.....	314 16	41 06	3 26	2 60	5 61	1 09	367 78
Undistributed assets vested in Receiver General.....	.....	.....	.....	10	.....	19	18 24	.....	.....	18 53
Cost of administration (including trustee fee).....	.....	120 70	.....	7,201 85	2,852 01	722 62	1,396 33	963 33	143 40	13,400 24
Total Payments.....	.....	120 70	.....	59,945 34	11,012 55	1,374 91	1,933 23	2,084 87	360 77	76,832 37
Average cost per estate.....	.....	60 35	.....	153 23	98 35	55 59	49 87	53 52	71 70	96 40
Percentage cost borne by Department.....	.....	60-07%	.....	7-02%	15-90%	43-74%	64-72%	48-26%	36-34%	20-66%











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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY

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FOR THE CALENDAR YEAR 1939

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Published by Authority of Hon. Pierre F. Casgrain, K.C., M.P.,  
Secretary of State



OTTAWA  
J. O. PATENAUDE, I.S.O.  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
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Price, 10 cents



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The Honourable PIERRE F. CASGRAIN, K.C., M.P.,  
Secretary of State,  
Ottawa.

SIR,—I have the honour to submit my seventh Annual Report on the administration of The Bankruptcy Act during the year ending December 31, 1939.

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, June 21st, 1940.

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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1939

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## 1. APPOINTMENTS UNDER THE BANKRUPTCY ACT

### (a) OFFICIAL RECEIVERS

Roy Dixon, Esq., Local Registrar of the Supreme Court, Parry Sound, appointed Official Receiver for Division No. 14 of the Bankruptcy District of Ontario, effective March 10, 1939, vice F. Tasker, deceased. (P.C. 534, March 10, 1939.)

Albert Grenier, Esq., Prothonotary of the Superior Court and Registrar in Bankruptcy, Amos, appointed Official Receiver for Division No. 12 of the Bankruptcy District of Quebec, effective March 14, 1939, vice C. A. Lafrance, resigned. (P.C. 570 March 14, 1939.)

Harry Clifford, Esq., Local Registrar of the Supreme Court, Haileybury, appointed Official Receiver for Division No. 15 of the Bankruptcy District of Ontario, effective March 18, 1939, vice William Thuerck, resigned. (P.C. 594, March 18, 1939.)

Roland Provencher, Esq., Prothonotary of the Superior Court, Arthabaska, appointed Joint Official Receiver with Adelard Picher, Esq., for Division No. 15 of the Bankruptcy District of Quebec effective May 5, 1939, vice J. Victor Marceau, resigned. (P.C. 1055, May 5, 1939.)

H. C. Ramsey, Esq., Prothonotary of the Supreme Court, Bathurst, appointed Official Receiver for Division No. 3 of the Bankruptcy District of New Brunswick, effective May 9, 1939, vice N. A. Landry, K.C., retired. (P.C. 1087, May 9, 1939.)

### (b) REGISTRARS IN BANKRUPTCY AND TAXING OFFICERS

Roland Provencher, Esq. and Adelard Picher, Esq., Joint Prothonotaries of the Superior Court, Arthabaska, appointed by the Acting Chief Justice of the Superior Court to be Registrars in Bankruptcy and Taxing Officers for Division No. 15 of the Bankruptcy District of Quebec, effective October 19, 1939.

James Harry Charman, Esq., Acting Clerk of the Supreme Court of Alberta, Calgary, appointed by the Chief Justice of the Province of Alberta to be Registrar in Bankruptcy for Division No. 2 of the Bankruptcy District of Alberta, effective December 13, 1939, vice V. R. Jones, Esq., on active service.

## 2. LICENSING AND SUPERVISORY ACTIVITIES

### (i) LICENSING OF TRUSTEES

#### (a) *Licences Granted for 1939*

Renewal certificates for 1939 were issued to 239 of the 255 trustees whose licences expired on December 31, 1938. In addition, 10 new licences were issued during the year 1939 bringing the total number of licences in force in 1939 to 249.

#### (b) *Licences Cancelled in 1939*

Two licences were cancelled during the year.

(c) *Renewal of Licences for 1940*

Of the 247 trustees whose licences expired on December 31, 1939, 230 applied for and received certificates of renewal for 1940.

(d) *Distribution of Licences*

The following table shows the distribution by provinces of the 230 licences renewed for 1940. In this table trustees licensed to operate in two or more provinces are shown only in the provinces in which their head offices are situated:

Nova Scotia .....	8	Quebec .....	97	Saskatchewan ....	4
New Brunswick .....	8	Ontario .....	87	Alberta .....	2
Prince Ed. Island.....	1	Manitoba .....	8	British Columbia..	15

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces, mostly trust companies with offices in the larger centres, are included in the total for each province in which they operate:

Nova Scotia.....	14	Quebec.....	103	Saskatchewan.....	14
New Brunswick.....	13	Ontario.....	96	Alberta.....	11
Prince Ed. Island.....	3	Manitoba.....	16	British Columbia.....	21
		Northwest Territories	1		

The following statement shows the number of licences issued during the seven-year period ending December 31, 1939:—

	1933	1934	1935	1936	1937	1938	1939
New Licences issued.....	364	23	19	9	9	11	10
Licences Renewed.....		328	301	292	269	250	239
Total.....	364	351	320	301	278	261	249

Cancellations during the same period were as follows:—

	1933	1934	1935	1936	1937	1938	1939	Total
Death of trustees.....	2	2	2	3	5	3		17
Resigned.....		2	1	1	1	3		8
Cancelled for cause.....	2	3		2	3		2	12
Renewals not granted.....	5	2	3	5	6	2		23
Renewals not applied for.....	27	41	22	21	13	14	17	155
Total.....	36	50	28	32	28	22	19	215

The continued decrease since 1932 in the number of licensed trustees has resulted mainly from the voluntary retirement or withdrawal from practice of licensees who found that the volume of work available was insufficient to warrant the renewal of their licences. The number now licensed is ample to take care of the work to be done.



## (ii) BANKRUPTCIES REPORTED AND ESTATES ADMINISTERED

There were 1,109 bankruptcies reported during 1939 compared with 1,074 in 1938 and 967 in 1937. Comparative figures for all provinces for the five-year period ending December 31, 1939, are as follows:—

Year	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
1935.....	36	35	4	303	490	203	82	31	23	22	34	1,263
1936.....	33	20	6	304	406	210	78	24	20	20	33	1,154
1937.....	16	16	.....	259	342	182	70	16	14	18	34	967
1938.....	20	19	4	309	369	182	95	24	13	10	29	1,074
1939.....	31	19	2	303	401	170	70	28	14	22	49	1,109

Liabilities and assets for the 1,109 estates reported during 1939 were estimated and valued by the debtors at \$15,945,781 and \$12,212,486, respectively. The corresponding totals for the 1,074 estates reported during 1938 were respectively \$15,825,276 and \$12,434,639.

The administration of 1,119 estates was completed in 1939 as compared with 1,098 estates completed in 1938. A survey of the administration of the 1,119 estates closed in 1939 gives the following figures and results:—

Total liabilities estimated by debtors at.....	\$15,760,643
Total assets valued by debtors at.....	13,174,172
which realized.....	2,667,708
Distributed as follows:	
Payments to creditors.....	1,852,312
Cost of administration.....	815,396

To the distribution to creditors as shown there should be added assets of an estimated value of \$3,688,064 realized or taken over by secured creditors, making in all a return to creditors in cash or in kind of \$5,540,376, or 30.57 per cent of the estimated liabilities and leaving an estimated net loss to creditors of \$10,220,267, or 69.43 per cent of the total liabilities.

In addition to the 1,109 bankruptcies reported during 1939, 26 old bankruptcies (estates in existence prior to the Bankruptcy Act Amendment Act, 1932) were reported to this office and the administration of 93 old estates was completed. Altogether, the administration of 2,598 new estates and 470 old estates was under supervision during the year. There were 1,479 new estates and 377 old estates under administration at the end of 1939. Detailed information regarding the number and location of bankruptcies reported, size of estates, realization of assets, payments to creditors, administrative costs, etc., will be found in the tables forming the Appendix to this report.

The first bankruptcy to take place in the Northwest Territories since the Bankruptcy Act Amendment Act, 1932, was promulgated, is reported in 1939, and has been included for purposes of convenience with those reported from the Province of Alberta. By Proclamation of the Governor General in Council published in the *Canada Gazette* of July 7, 14 and 21, 1934, The Bankruptcy Act was proclaimed to be effective in the Northwest Territories. The Official Receiver and Registrar in Bankruptcy appointed for the Territories are resident in Edmonton, Alberta, and this bankruptcy is being included in the returns from Alberta until it can be seen whether or not a separate record should be opened for the Northwest Territories.

## (iii) COMPLAINTS AND INVESTIGATIONS

During the year seventy-two complaints were registered against thirty-eight trustees. Seventy of these seventy-two complaints related to estates under the administration of licensed trustees; the balance related to estates which came into existence prior to December 1, 1932, in which the trustees are not licensed. Seventy complaints were made by creditors or on their behalf. Two were received from debtors.



Complaints received from creditors may be classified as follows:—

Delay in winding up estates.....	14
Delay in payment of claims.....	21
Unable to obtain reports or information requested.....	15
Irregular disposal of assets.....	3
High administrative costs.....	4
Miscellaneous .....	13

Fourteen outside investigations were made by members of the staff during the year. Eight of these investigations were made following the receipt of complaints from creditors and others.

### 3. PROSECUTIONS IN BANKRUPTCY CASES

At the end of 1938 there were twenty-two cases in which investigations were being continued or in which criminal proceedings were pending before the courts. Thirty-nine new cases, in which there were grounds to believe that offences had been committed and in which an investigation of some sort had been made, were reported in 1939. Thirty of these sixty-one cases were closed in 1939. In the remaining thirty-one proceedings were pending or contemplated at the end of 1939 or the investigations were being continued.

The accused persons were brought to trial in nineteen of the thirty cases closed in 1939. Three cases were dropped because of lack of funds or the indifference of the creditors to further investigate or prosecute. In one there was insufficient proof of wrong-doing to warrant the institution of criminal proceedings, and in another the investigation was dropped on restitution being made. In one case the application for authority to prosecute was dismissed and in another the conduct of the debtor resulted in his application for discharge being refused. Four accused escaped prosecution by absconding.

Convictions were obtained in fourteen of the nineteen cases brought to trial. In five the charges were dismissed or the accused acquitted. In two of the fourteen cases in which convictions were obtained the accused were subjected to the payment of fines; one accused was sentenced to payment of the costs of the prosecution. Sentences of imprisonment varying from one to eighteen months were imposed in seven cases. In four cases the accused were released on suspended sentence.

### 4. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Sixty-four assignments under The Bankruptcy Act were made by farmers in 1939, and four receiving orders were made against farmers who had failed to carry out the terms of their proposals, as provided for by Section 10A (2) of the Farmers' Creditors Arrangement Act.

The liabilities and assets of these 68 estates were estimated at \$508,088.50 and \$301,829.97, respectively, representing average liabilities of \$7,471.89 and assets of \$4,438.68 for each estate. Real property represented \$245,896 or 81.47 per cent of the assets, the balance, or \$55,933.97, consisting of live stock and machinery. Of the liabilities \$373,595.58 or 73.53 per cent of the total were either secured or preferred, the balance consisting of ordinary unsecured claims.

Including 117 estates carried over from 1938, there was under administration in 1939 a total of 185 farmer estates. Of these, 83 were completely administered and the trustees released during the year, leaving 102 on hand as at December 31, 1939.

The 83 estates closed in 1939 represented total liabilities of \$688,524.10 and assets of a total estimated value of \$368,548.02. The proceeds from the sale of assets by official receiver-trustees, exclusive of cash payments to farmers in lieu of exemptions, amounted to \$38,328.88, all of which, less administrative costs

of \$7,985.94, was available for distribution to the creditors. In addition to the cash payments made to the creditors, land and chattels under mortgage or lien of an estimated value of \$221,601 were transferred to or repossessed by secured creditors.

Additional administrative costs of \$1,479.57 were paid by the Dominion Government, bringing the total administrative costs to \$9,465.51. The average cost of administering these estates amounted to \$114.04 only, of which \$17.82 or 15.63 per cent was paid from Government funds.

The applications of thirty-nine farmers for discharge from bankruptcy were disposed of by the courts during the year. Thirty-four of these applications were granted unconditionally, three were granted conditionally and two applications were suspended, one for a period of three months and the other for a year. No applications were refused but four were pending at the close of the year. In one case the farmer failed to proceed with his application for discharge. In five cases the assignments were annulled on the approval by the court of compositions or settlements accepted by the creditors. There were no prosecutions in bankruptcy cases under this Act in 1939.

Tables showing liabilities and assets of farmer estates reported in 1939, and details of the administration of estates closed in 1939, have been included in the Appendix to this report. The following table shows, by provinces, the number of assignments made under the Farmers' Creditors Arrangement Act since it came into effect on September 1, 1934:—

Year	N.S.	N.B.	P.E.I.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1934 (4 months)...	0	5	0	7	4	12	22	11	0	61
1935.....	0	8	3	38	27	24	98	86	1	285
1936.....	0	4	2	39	24	15	62	33	3	182
1937.....	0	3	2	34	28	10	29	3	1	110
1938.....	0	3	2	33	29	8	16	13	2	106
1939.....	0	0	0	17	20	4	20	2	1	64
Total.....	0	23	9	168	132	73	247	148	8	808

During this period thirty-six receiving orders were made against farmers in the Provinces of Alberta, Saskatchewan, Ontario and Quebec, only, as shown hereunder:—

Year	Alberta	Saskatche- wan	Ontario	Quebec	Total
1934.....	0	0	0	0	0
1935.....	1	0	0	1	2
1936.....	1	2	0	11	14
1937.....	1	6	0	5	12
1938.....	2	0	0	2	4
1939.....	1	0	1	2	4
Total.....	6	8	1	21	36

5. REVENUE AND EXPENDITURES

The total net revenues as against expenditures from January 1, 1939, to December 31, 1939, have been as follows:—

REVENUE-CALENDAR YEAR, 1939

Licence fees (including renewals for 1940).....	\$ 5,022 50
Levy under Section 126A.....	11,375 99
Total net revenue.....	16,398 49



## THE SUPERINTENDENT OF BANKRUPTCY

## EXPENDITURE—CALENDAR YEAR, 1939

Salaries .....	\$30,405 21
Printing and stationery.....	967 80
Travelling .....	467 21
Rent and maintenance.....	1,104 59
Sundries .....	556 80
Total expenditure.....	\$33,501 61
Less adjustment for 1938 refund of travelling expenses.....	311 47
Total expenditure.....	\$33,190 14

## 6. GENERAL OBSERVATIONS

An increase is noted in the number of bankruptcies reported in 1939 compared with the years 1937 and 1938, notwithstanding a continuance of the trend, already referred to in my report for 1938, toward alternative methods available for dealing with commercial insolvencies. The gradual increase in the number of bankruptcies reported since 1936, in conjunction with increased commercial and industrial activities over the same period, may be considered as indicating an upward turn in business generally, a feeling of greater confidence in industrial and commercial circles, and an accompanying expansion of credit facilities.

One of the difficulties encountered in supervising the administration of trustees is that resulting from the apparent inability of a few licensees to carry out their duties and to complete with reasonable diligence the administration of the estates to which they are appointed. These trustees, no matter how well qualified they may have appeared to be when their licences were granted, do not appear to have the capacity or ingenuity to administer bankrupt estates efficiently. It becomes necessary to find a means of dealing with such cases and as no remedy is provided by The Bankruptcy Act some practical way of dealing with them must be sought. In many of these cases because of lack of assets to cover the trustee's fees and expenses, no other trustee can be found who is willing to complete the administration and the required solution is not always immediately at hand. In all such cases, however, everything possible is done to further the administration of the estates with the co-operation of the bonding companies and the active assistance of other trustees, and they are usually brought to completion as soon as this can be done. Creditors do not always realize how difficult it may be to deal with such situations for which no provision of any kind has been made by The Bankruptcy Act.

Cases of this kind continue to arise notwithstanding the great care exercised in the selection of applicants to be licensed as trustees, and despite the assistance and guidance accorded to new appointees in all matters affecting the administration of bankrupt estates. It is gratifying to note that cases of inactivity and incompetency of this kind are relatively few. Ordinarily, trustees generally carry out their duties capably and efficiently and the maladministration or incompetence of a few indicates all the more the credit due to efficient trustees.

A phase of the operation of The Bankruptcy Act which perhaps has received little thought or attention concerns the advantage taken by debtors to obtain their discharge. The primary purpose of bankruptcy legislation is to relieve unfortunate debtors from their liabilities so that they may again become useful members of society. Incidental thereto the object is also accomplished of the assets of an insolvent debtor being distributed ratably among his creditors. When bankruptcy occurs, however, the problems of distribution are so manifold that the procedure of the Act is almost wholly concerned with the process of distribution with the result that its primary purpose is to a large extent almost entirely lost sight of. An analysis of the six annual reports



issued shows about one-third as many applications by debtors for a discharge have been received as compared with the number of bankruptcies. Of these applications fully 75 per cent were made in the province of Quebec, due perhaps to the fact that the courts in that province have held that after a trustee is discharged the creditors are free to proceed against a debtor, without the leave of the court, to recover the balance of the debts due to them after payment of any dividends received.

Various reasons may be given for debtors failing to apply for a discharge. A surprisingly large number are not actually aware of or are misinformed as to their legal rights. Many are unable to save or raise the necessary funds to meet the costs of an application. Others arrange to carry on by some other means. To a certain class the state of bankruptcy is not regarded as a material handicap in either a social or business capacity. A very considerable number are so discouraged by the financial reverses suffered that they lack the mental courage to try to start over again and eventually abandon all hope or desire to make another effort. Others are supremely indifferent to their legal and moral responsibility for their debts and regard bankruptcy as an unimportant incident. Generally speaking, however, it is believed that most debtors would want to acquire again their freedom of action, but financial circumstances and lack of correct information as to their legal rights more especially are the two factors that prevent their doing so. Whatever the reason may be that has deterred debtors from applying for a discharge they apparently have not taken advantage of the privilege granted them to the extent that was contemplated by the Act.

A rather interesting development is found in the United States. Prior to the Chandler Act Amendments of 1938 to the Bankruptcy Act of the United States a debtor had only the right to apply for a discharge within one year after adjudication. By the Chandler Amendments it is now provided that the adjudication of any person, except a corporation which may apply for a discharge within six months after adjudication, shall, unless waived by the debtor in writing, operate as an application for discharge which is automatically granted if no objection is filed by the creditors. The responsibility of reporting any misconduct or dishonest practices by the debtor is placed entirely on the creditors; thus the creditors must protect themselves against unscrupulous debtors receiving a discharge. Under the Canadian system, in addition to the creditors being notified to give them an opportunity to object, a report regarding the causes of the bankruptcy and the debtor's conduct must be filed in court by the trustee so that independently of the creditors the court has before it at least all the relevant facts known to the trustee to enable it to determine whether or not the debtor is a person entitled to a discharge. Whether or not the United States procedure may be regarded as a desirable advance is a matter for careful study and consideration, but it would almost seem an essential requirement of any bankruptcy legislation that the court before granting a discharge should have before it whatever evidence is available respecting the commercial honesty or integrity of a debtor not only to guard against the indifference of creditors but also to provide a check on unscrupulous debtors re-entering business to renew their dishonest practices.

The distinct departure in the Chandler Amendments from the established principle of placing the responsibility on the debtor to initiate proceedings for his own discharge is undoubtedly a new development respecting the right of a bankrupt debtor. The intention of the Act is obviously to rescue every unfortunate but honest debtor from the "no-man's land" of bankruptcy. The responsibility has heretofore always been placed on a debtor to prove that his bankruptcy occurred from circumstances over which he could not reasonably be held responsible. By inference the Chandler Amendments appear to give some recognition to the viewpoint that the creditors also should be held partly

responsible for the financial condition of a debtor by having given credit unwisely. The more this viewpoint is given consideration the more it may seem to be the case that a debtor should not be regarded as only to blame when bankruptcy occurs. If, therefore, the principle of the dual responsibility of creditors as well as debtors for insolvency is recognized it is not unreasonable to suggest that the debtor should not be made solely responsible to try to obtain a discharge in which case it is only a logical step to the principle so recently established in the Chandler Amendments.

It becomes, therefore, a matter of what is the balance of advantage to the State, that is, whether or not the country at large would benefit to a greater extent by giving practically all debtors the opportunity to restore their self-respect and to rehabilitate themselves as useful members of society instead of being condemned to perpetual bankruptcy as is now the case with such a large percentage of them. At least the idea has much merit and is worthy of the most serious consideration.



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THE SUPERINTENDENT OF BANKRUPTCY

PART I

BANKRUPTCIES REPORTED DURING 1939

TABLE I.—NEW BANKRUPTCIES REPORTED

Province or City	Number of Estates opened	Per-centage of Total	Assets as estimated by Debtors	Liabilities as estimated by Debtors	Average per Estate	
					Assets	Liabilities
		%	\$	\$	\$	\$
Nova Scotia.....	31	2.80	363,495	419,041	11,726	13,517
New Brunswick.....	19	1.71	317,506	397,356	16,711	20,913
Prince Edward Island.....	2	.18	57,925	81,237	28,963	40,619
Quebec.....	303	27.32	2,015,807	2,757,346	6,653	9,100
Montreal.....	401	36.16	3,660,301	5,547,994	9,128	13,835
Ontario.....	170	15.33	1,921,434	2,132,358	11,303	12,543
Toronto.....	70	6.31	1,386,491	1,706,582	19,807	24,380
Manitoba.....	28	2.52	288,424	432,605	10,301	15,450
Saskatchewan.....	14	1.26	130,213	236,574	9,301	16,898
Alberta.....	22*	1.99	368,920	340,909	16,769	15,496
British Columbia.....	49	4.42	1,701,970	1,893,779	34,734	38,648
Total.....	1,109	100.00	12,212,486	15,945,781	11,012	14,379

TABLE II.—OLD BANKRUPTCIES (ESTATES IN EXISTENCE PRIOR TO THE 1932 AMENDMENT) REPORTED TO SUPERINTENDENT DURING 1939

Total	N.S.	N.B.	P.E.I.	Que.	Mont'l	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
26	2	1	1	1	3	6	3	1	1	.....	7

TABLE III.—TOTAL BANKRUPTCIES REPORTED DURING 1939

Total	N.S.	N.B.	P.E.I.	Que.	Mont'l	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
1,135	33	20	3	304	404	176	73	29	15	22*	56

\*Includes one estate in Northwest Territories.

TABLE IV.—ESTATES ON HAND AT 31ST DECEMBER, 1939

Year	New Estates			Old Estates		
	Opened	Closed	Carried Over	Reported	Closed	Carried Over
1933.....	2,604	850	1,754	1,340	860	480
1934.....	1,411	1,620	1,545	2,030	1,033	1,477
1935.....	1,263	1,198	1,610	343	428	1,392
1936.....	1,154	1,069	1,695	194	480	1,106
1937.....	967	1,149	1,513	126	337	895
1938.....	1,074	1,098	1,489	137	176	444*
1939.....	1,109	1,119	1,479	26	93	377
Total.....	9,582	8,103	1,479	4,196	3,407	377

\*As adjusted—See Annual Report 1938.

Incompleted estates—	
Administration carried over to 1940—New.....	1,479
Old.....	377
Total.....	1,856

TABLE V.—PERCENTAGE OF ASSIGNMENTS AND RECEIVING ORDERS TO TOTAL NUMBER OF NEW BANKRUPTCIES REPORTED DURING 1939

Province or City	New Bankruptcies 1939	Assignments		Receiving Orders	
		Number	%	Number	%
Nova Scotia.....	31	26	83.87	5	16.13
New Brunswick.....	19	16	84.21	3	15.79
Prince Edward Island.....	2	2	100.00		
Quebec.....	303	266	87.79	37	12.21
Montreal.....	401	346	86.28	55	13.72
Ontario.....	170	147	86.47	23	13.53
Toronto.....	70	51	72.86	19	27.14
Manitoba.....	28	24	85.71	4	14.29
Saskatchewan.....	14	14	100.00		
Alberta.....	22*	17	77.27	5	22.73
British Columbia.....	49	37	75.51	12	24.49
Total.....	1,109	946	85.30	163	14.70

\*Includes one estate in Northwest Territories.

TABLE VI.—OCCUPATIONAL CLASSIFICATION OF DEBTORS

	N.S.	N.B.	P.E.I.	Que.	Mtl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
<b>MANUFACTURE AND INDUSTRY—</b>												
Lumber and Woodworking.....		2		9	1	2	1				9	24
Mining.....	2			2	5		2		1	1	8	22
Food Products.....	3			8	12	12	4	2			1	42
Furniture.....				1	5	2	1					9
Shoes and Leather Goods.....				2	2	2	1				1	6
Clothing.....				5	33		8					46
Drugs and Chemicals.....		1			4		1					6
Metals.....					2	1	3	2				8
Printing.....				1	5		1					7
Tobacco.....				1	1							2
Smallwares.....				1	2		1	1				5
Paint.....					1							1
Brick and Cement.....				1	1						1	3
Machinery.....				1	3	1	1					6
Paper Boxes.....					1	1	1					2
Miscellaneous.....	1			1	2	1		2				7
Total.....	6	3		33	78	21	25	8	1	1	20	196
<b>TRADE—</b>												
Dry Goods.....	1	5		41	43	32	4	1	2	1	4	134
Food Products.....	5	4		56	67	29	5	1	1	3	4	175
General Merchants.....	7	2	2	39	12	17	7	2	3	9	2	102
Footwear.....	2			4	2	8	4				2	22
Furs.....				4	2	2	1	1				10
Furniture.....				4	4	7				1	1	17
Fuels.....				2	8	1	2					13
Electric Supplies.....	1			2	3	2	2					10
Plumbing Supplies.....	2			5	2	2		1				12
Store Fixtures & Supplies.....					3	1						4
Hardware.....				12	6	5	3	2	1	2		31
Painters and Decorators.....				3	4	2	1	1				11
Building Contractors.....				9	16	2	3	1		1		32
Garage and Auto Supplies.....	1	1		16	17	10	2	1			2	50
Druggists.....				4	5	2		1		1	1	14
Tobacco and Stationery.....				2	9	1			1		2	15
Jewellery.....	1			5	7	3	2	1		1	1	21
Miscellaneous.....	2			2	3	4	3	1		1	2	18
Total.....	22	12	2	210	213	130	39	14	8	20	21	691
<b>OTHERS:</b>												
Transportation.....				4	4	1		1				10
Finance.....	1			2	4	1		2			1	11
<b>Service—</b>												
Professional.....				2	4	2						8
Business.....				3	1	2	1		2	1		10
Recreational.....				1	3	2		1			1	8
Personal.....	1			5	12	4	1	1	2		3	29
Hotel.....				3	3							6
Wage Earners.....	1	1		29	47	3	1	1	1		1	85
Real Estate and Insurance.....		1		2	8	1	1				1	14
Commercial Agents, Salesmen.....		1		9	24	3	2					39
Miscellaneous.....		1									1	2
Total.....	3	4		60	110	19	6	6	5	1	8	222
Grand Total.....	31	19	2	303	401	170	70	28	14	22	49	1,109

PART II  
ESTATES CLOSED DURING 1939  
(Exclusive of "Old" Estates reported in Part IV)

TABLE VII.—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION, BY DISTRICTS

Province or City	Number of Estates closed	Assets as estimated by debtors	Liabilities as estimated by debtors	Realization	Receipts from operations	Gross receipts	Cost of Administration	Percentage cost	Paid to creditors	Realized direct by secured creditors (approx.)	Total amount recovered by creditors (approx.)
		\$	\$	\$ cts.	\$ cts.	\$ cts.	\$ cts.	%	\$ cts.	\$	\$
Nova Scotia.....	21	292,968	170,726	49,982 03	42 59	50,024 62	13,505 49	27.00	36,519 13	22,987	59,506
New Brunswick.....	21	226,628	740,270	41,895 95	.....	41,895 95	15,332 64	36.60	26,563 31	118,243	144,806
Prince Edward Island.....	3	61,413	94,306	27,711 69	655 41	28,367 10	3,672 94	12.95	24,694 16	655	25,349
Quebec.....	295	2,064,769	2,849,291	635,761 52	1,363 43	637,124 95	188,618 89	29.60	448,506 06	545,807	994,313
Montreal.....	411	4,085,064	4,240,337	703,580 81	4,761 02	708,341 83	227,786 57	32.16	480,555 26	779,990	1,260,545
Ontario.....	205	3,695,187	4,014,626	595,039 27	34,854 15	629,893 42	177,246 21	28.14	452,647 21	1,399,410	1,852,057
Toronto.....	69	1,508,332	1,536,989	309,529 57	1,842 09	311,371 66	120,748 04	38.78	190,623 62	437,976	628,600
Manitoba.....	31	391,781	560,415	67,343 08	.....	67,343 08	13,053 09	19.38	54,289 99	184,863	239,153
Saskatchewan.....	13	99,654	123,221	27,271 86	321 57	27,593 43	6,737 01	24.42	20,856 42	30,227	51,083
Alberta.....	14	98,540	137,647	24,978 28	.....	24,978 28	11,055 73	44.26	13,922 55	24,114	38,037
British Columbia.....	36	649,836	1,292,815	127,293 88	13,480 29	140,774 17	37,639 55	26.74	103,134 62	143,792	246,927
Total.....	1,119	13,174,172	15,760,643	2,610,387 94	57,320 55	2,667,708 49	815,396 16	30.57	1,852,312 33	3,688,064	5,540,376





## THE SUPERINTENDENT OF BANKRUPTCY

TABLE IX—SUMMARY OF TOTAL ADMINISTRATIVE COSTS

Province or City	Number of Estates	Custodian	Trustee	Legal	Total Cost of Adminis- tration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	21	2,129 99	8,830 16	2,545 34	13,505 49
New Brunswick.....	21	2,484 64	8,652 32	4,195 68	15,332 64
Prince Edward Island.....	3	217 68	2,754 76	700 50	3,672 94
Quebec.....	295	32,682 42	123,741 53	32,194 94	188,618 89
Montreal.....	411	39,380 41	147,046 42	41,359 74	227,786 57
Ontario.....	205	27,454 94	119,314 04	30,477 23	177,246 21
Toronto.....	69	9,388 27	97,963 69	13,396 08	120,748 04
Manitoba.....	31	3,335 30	8,558 60	1,159 19	13,053 09
Saskatchewan.....	13	1,632 56	3,762 42	1,342 03	6,737 01
Alberta.....	14	1,276 51	5,288 57	4,490 65	11,055 73
British Columbia.....	36	3,226 81	25,252 04	9,160 70	37,639 55
Total.....	1,119	123,209 53	551,164 55	141,022 08	815,396 16

TABLE X.—RATES OF DIVIDENDS PAID IN ESTATES CLOSED DURING 1939

Province or City	Num- ber of Estates Closed	Closed without Divi- dend	Dividends									
			Under 1%	1% Under 2½%	2½% Under 5%	5% Under 10%	10% Under 15%	15% Under 25%	25% Under 50%	50 % Under 75%	75% Under 100%	At 100%
Nova Scotia....	21	8	.....	.....	2	1	3	.....	5	1	.....	1
New Brunswick	21	8	1	.....	1	5	1	.....	5	.....	.....	.....
Prince Edward Island.....	3	.....	.....	1	.....	.....	.....	1	1	.....	.....	.....
Quebec.....	295	172	2	8	13	22	15	25	27	9	1	1
Montreal.....	411	297	6	10	12	22	21	15	20	5	1	2
Ontario.....	205	109	8	1	8	16	11	20	24	3	4	1
Toronto.....	69	40	.....	2	2	8	2	5	6	3	.....	1
Manitoba.....	31	19	.....	1	1	2	1	4	2	1	.....	.....
Saskatchewan..	13	6	.....	1	1	.....	1	.....	4	.....	.....	.....
Alberta.....	14	6	2	2	.....	.....	2	.....	2	.....	.....	.....
British Columbia....	36	23	.....	.....	2	2	1	4	3	1	.....	.....
Total.....	1,119	688	19	26	42	78	58	74	99	23	6	6
Percentage of Total....		61.48%	1.70%	2.32%	3.75%	6.97%	5.18%	6.61%	8.85%	2.06%	.54%	.54%

TABLE XI.—COMPARATIVE STATEMENT OF AVERAGES FOR THE YEARS 1935 TO 1939

	1935	1936	1937	1938	1939
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Average Assets.....	11,719 00	9,649 00	16,011 00	14,568 00	11,773 00
Average Liabilities.....	16,196 00	13,114 00	17,782 00	19,780 00	14,085 00
RECEIPTS					
Realizations.....	2,296 79	2,059 41	2,403 77	2,276 87	2,332 79
Net receipts from operations.....	27 96	59 50	38 13	24 18	51 22
Total receipts.....	2,324 75	2,118 91	2,441 90	2,301 05	2,384 01
DISBURSEMENTS					
<i>Custodian—</i>					
Fees of Official Receiver.....	16 22	15 94	15 74	16 22	16 84
Advertising.....	19 07	18 97	19 40	19 15	18 77
Notices to Creditors.....	12 67	11 56	11 51	12 51	12 95
Postage.....	5 98	5 61	5 55	5 95	5 91
Possession and stocktaking.....	46 30	36 79	33 12	35 80	40 45
Bond and insurance premiums.....	8 33	6 18	6 22	5 76	5 13
Miscellaneous.....	15 96	8 22	11 29	11 47	10 06
Custodian costs.....	124 53	103 27	102 83	106 86	110 11
<i>Trustee—</i>					
Advertising.....	18 91	16 59	15 76	15 34	14 74
Bond and insurance premiums.....	22 83	21 31	29 32	32 84	33 89
Auctioneer.....	9 47	10 87	12 48	13 46	13 94
Notices to creditors.....	20 94	18 05	17 27	19 45	20 25
Postage.....	11 48	10 32	10 36	12 21	12 23
Registrar's fees.....	20 39	17 39	13 88	13 33	13 61
Inspectors' fees and expenses.....	27 28	23 95	26 94	24 34	28 27
Miscellaneous.....	91 07	91 93	107 83	103 43	163 26
Loss on operations.....	47	9 32	10 81	22 52	20 53
Trustee's fee (less deficit).....	151 86	127 46	179 49	176 61	171 83
Trustee costs.....	374 70	347 19	424 14	433 53	492 55
<i>Legal—</i>					
On petition or assignment.....	43 87	38 94	33 89	33 10	36 04
Solicitor to estate.....	82 21	70 06	101 82	74 70	85 67
Awarded against trustee.....	4 17	4 78	7 96	5 25	4 31
Legal costs.....	130 25	113 78	143 67	113 05	126 02
TOTAL COST OF ADMINISTRATION.....	629 48	564 24	670 64	653 44	728 68
AVAILABLE FOR DISTRIBUTION.....	1,695 27	1,554 67	1,771 26	1,647 61	1,655 33
Levy.....	8 40	7 34	10 49	8 59	7 99
Paid to secured creditors.....	378 89	485 88	426 95	432 06	373 52
Paid to preferred creditors.....	484 59	428 94	549 13	442 43	450 35
Paid to ordinary creditors.....	823 39	632 51	784 69	764 53	823 47
Total dividend.....	1,695 27	1,554 67	1,771 26	1,647 61	1,655 33
Percentage cost of administration.....	27.0%	26.6%	27.46%	28.39%	30.57%



THE SUPERINTENDENT OF BANKRUPTCY

TABLE XII—ANALYSIS OF BANKRUPTCY COSTS IN ESTATES CLOSED DURING 1939

	Total	General Average	Averages by City or Province											
			N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	
			\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Assets.....	13,174,172 00	11,773 00	13,952 00	10,792 00	20,471 00	6,999 00	9,939 00	18,025 00	21,860 00	12,638 00	7,666 00	7,039 00	18,051 00	
Liabilities.....	15,760,643 00	14,085 00	8,130 00	35,252 00	31,435 00	9,659 00	10,317 00	19,584 00	22,275 00	18,078 00	9,479 00	9,832 00	35,912 00	
RECEIPTS														
Realization.....	2,610,387 94	2,332 79	2,380 09	1,995 04	9,237 23	2,155 12	1,711 88	2,902 63	4,485 94	2,172 35	2,097 83	1,784 16	3,535 94	
Net receipts from operations.....	57,320 55	51 22	2 03	.....	218 47	4 62	11 58	170 02	26 70	.....	24 74	.....	374 45	
Total receipts.....	2,667,708 49	2,384 01	2,382 12	1,995 04	9,455 70	2,159 74	1,723 46	3,072 65	4,512 64	2,172 35	2,122 57	1,784 16	3,910 39	
DISBURSEMENTS														
Custodian—														
Fees of Official Receiver.....	18,839 95	16 84	11 92	14 29	10 00	17 85	16 76	18 48	16 54	16 65	12 21	10 93	9 68	
Advertising.....	21,008 73	18 77	14 39	13 99	12 25	18 26	20 30	17 26	23 29	16 76	16 10	16 09	15 26	
Notices to creditors.....	14,492 65	12 95	8 96	14 82	13 41	12 02	15 71	13 41	16 30	15 71	6 34	9 52	13 26	
Postage.....	6,612 79	5 91	5 52	6 33	10 88	5 64	5 15	7 10	7 55	6 70	3 78	4 68	6 95	
Possession and stocktaking.....	45,259 76	40 45	26 51	39 71	5 52	45 40	34 41	45 59	56 77	34 11	77 56	27 40	16 76	
Bond and insurance premiums.....	5,735 91	5 13	26 00	6 82	2 33	4 76	2 62	7 94	7 08	4 39	4 61	12 74	3 66	
Miscellaneous.....	11,259 74	10 06	8 13	22 36	16 25	5 46	4 56	24 14	9 53	13 27	4 98	9 82	24 06	
Custodian costs.....	123,209 53	110 11	101 43	118 32	72 56	110 78	95 82	133 92	136 06	107 59	125 58	91 18	89 63	
Trustee—														
Advertising.....	16,497 41	14 74	17 16	7 48	22 08	17 95	13 60	14 71	17 76	7 00	6 85	11 26	9 05	
Bond and insurance premiums.....	37,923 50	33 89	37 19	22 08	17 22	34 25	21 17	43 19	85 26	14 45	27 20	28 47	52 38	
Auctioneer.....	15,602 42	13 94	9 98	18 50	.....	11 10	7 96	18 40	61 53	.....	.....	.....	12 33	
Notices to creditors.....	22,658 26	20 25	17 86	16 74	23 23	22 65	19 05	18 46	22 40	23 60	12 81	18 05	24 20	
Postage.....	13,682 87	12 23	16 72	11 59	23 05	11 28	9 45	15 28	18 71	11 30	15 41	14 52	17 53	
Registrar's fees.....	15,231 33	13 61	16 22	12 75	14 27	15 95	13 58	13 11	10 72	8 62	6 20	12 02	9 69	
Inspectors' fees and expense.....	31,629 28	28 27	33 77	28 95	81 15	25 74	21 40	39 32	41 24	21 32	18 79	12 34	46 99	
Miscellaneous.....	182,683 35	163 26	116 79	107 19	247 49	129 13	64 39	184 60	879 03	61 89	89 98	153 77	248 34	
Loss on operations.....	22,977 03	20 53	.....	.....	.....	3 44	37 17	31 16	4 32	.....	.....	.....	.....	
Trustee's fee (less deficit).....	192,279 10	171 83	154 79	186 73	489 76	147 97	150 01	203 79	278 79	127 90	112 18	127 32	280 94	
Trustee costs.....	551,164 55	492 55	420 48	412 01	918 25	419 46	357 78	582 02	1,419 76	276 08	289 42	377 75	701 45	
Legal—														
On petition or assignment.....	40,328 28	36 04	40 39	71 44	116 92	37 00	36 36	33 66	36 28	12 64	28 17	16 26	38 34	
Solicitor to estate.....	95,872 38	85 67	80 82	128 35	116 58	65 88	63 41	112 92	157 87	24 75	54 92	304 50	162 45	
Awarded against trustee.....	4,821 42	4 31	.....	.....	.....	6 26	86	2 09	.....	.....	20 14	.....	53 67	
Legal costs.....	141,022 08	126 02	121 21	199 79	233 50	109 14	100 63	148 67	194 15	37 39	103 23	320 76	254 46	
TOTAL COST OF ADMINISTRATION.....	515,396 16	728 68	643 12	730 12	1,224 31	639 38	554 23	864 61	1,749 97	421 06	518 23	789 69	1,045 54	
AVAILABLE FOR DISTRIBUTION														
Levy.....	8,933 41	7 99	8 94	6 85	40 99	7 53	5 66	9 62	14 49	8 79	7 97	4 97	14 32	
Paid to secured creditors.....	417,972 20	373 52	83 16	309 28	.....	390 19	148 45	763 45	681 52	548 63	56 54	134 11	290 48	
Paid to preferred creditors.....	503,945 24	450 35	317 35	342 13	888 37	380 82	425 92	414 82	821 31	296 47	444 51	344 27	1,072 13	
Paid to ordinary creditors.....	921,461 48	823 47	1,329 55	606 66	7,322 03	741 82	589 20	1,020 15	1,245 35	897 40	1,095 32	511 12	1,487 92	
Total dividend.....	1,852,312 33	1,655 33	1,739 00	1,264 92	8,231 39	1,520 36	1,169 23	2,208 04	2,762 67	1,751 29	1,604 34	994 47	2,864 85	
Percentage cost of administration.....	30.57%	30.57%	27.00%	36.60%	12.95%	29.60%	32.16%	28.14%	38.78%	19.38%	24.42%	44.26%	26.74%	
Assets realized by secured creditors.....	3,688,064 00	3,296 00	1,094 00	5,631 00	218 00	1,850 00	1,922 00	6,826 00	6,348 00	5,963 00	2,325 00	1,722 00	3,994 00	

PART III

COMPARATIVE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

(Exclusive of "Old" Estates referred to in Part IV)

TABLE XIII.—CLASSIFICATION OF ESTATES ACCORDING TO SIZE

Province or City	\$500 or under	\$501- \$1,000	\$1,001- \$2,500	\$2,501- \$5,000	\$5,001- \$10,000	Over \$10,000	Total
Nova Scotia.....	5	4	5	4	2	1	21
New Brunswick.....	5	5	6	2	2	1	21
Prince Edward Island.....	.....	1	.....	1	.....	1	3
Quebec.....	113	63	55	37	15	12	295
Montreal.....	216	65	74	25	21	10	411
Ontario.....	72	26	43	34	19	11	205
Toronto.....	20	9	15	12	10	3	69
Manitoba.....	14	5	7	1	2	2	31
Saskatchewan.....	1	3	5	3	1	.....	13
Alberta.....	4	4	2	3	1	.....	14
British Columbia.....	17	4	5	6	1	3	36
Total.....	467	189	217	128	74	44	1,119
Percentage.....	41.74%	16.89%	19.39%	11.44%	6.61%	3.93%	100%

TABLE XIV.—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	467	111,676	96,492	239 13	206 62	86 40
\$501 - \$1,000.....	189	135,873	73,656	718 90	389 71	54 21
\$1,001 - \$2,500.....	217	355,163	133,149	1,636 70	613 59	37 49
\$2,501 - \$5,000.....	128	440,811	120,007	3,443 84	937 57	27 22
\$5,001 - \$10,000.....	74	498,318	120,822	6,734 03	1,632 73	24 25
Over \$10,000.....	44	1,125,867	271,270	25,587 89	6,165 23	24 09
Total.....	1,119	2,667,708	815,396	2,384 00	728 68	30 56

TABLE XIV.—(1) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OF \$500 OR UNDER

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	5	775	601	155 00	120 20	77 55
New Brunswick.....	5	1,627	1,239	325 40	247 80	76 15
Prince Edward Island.....	.....	.....	.....	.....	.....	.....
Quebec.....	113	29,802	25,373	263 73	224 54	85 14
Montreal.....	216	46,489	41,681	215 23	192 97	89 66
Ontario.....	72	19,247	15,926	267 32	221 20	82 75
Toronto.....	20	5,242	4,305	262 10	215 25	82 13
Manitoba.....	14	3,283	3,008	234 50	214 86	91 62
Saskatchewan.....	1	100	100	100 00	100 00	100 00
Alberta.....	4	988	851	247 00	212 75	86 13
Brtish Columbia.....	17	4,123	3,408	242 53	200 47	82 66
Total.....	467	111,676	96,492	239 13	206 62	86 40



THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIV.—(2) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	4	2,904	817	726 00	204 25	28 13
New Brunswick.....	5	4,134	1,814	826 80	362 80	43 88
Prince Edward Island.....	1	979	262	979 00	262 00	26 76
Quebec.....	63	43,728	24,323	694 10	386 08	55 62
Montreal.....	65	47,508	27,469	730 89	422 60	57 82
Ontario.....	26	18,288	10,183	703 38	391 65	55 68
Toronto.....	9	6,384	2,712	709 33	301 33	42 49
Manitoba.....	5	3,419	2,001	683 80	400 20	58 53
Saskatchewan.....	3	2,289	793	763 00	264 33	34 64
Alberta.....	4	3,459	1,757	864 75	439 25	50 80
British Columbia.....	4	2,781	1,525	695 25	381 25	54 84
Total.....	189	135,873	73,656	718 90	389 71	54 21

TABLE XIV.—(3) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	5	6,978	2,094	1,395 60	418 80	30 01
New Brunswick.....	6	10,362	4,324	1,727 00	720 67	41 73
Prince Edward Island.....						
Quebec.....	55	91,729	31,411	1,667 80	571 11	34 24
Montreal.....	74	120,062	46,847	1,622 46	633 07	39 02
Ontario.....	43	71,206	29,499	1,655 95	686 02	41 43
Toronto.....	15	24,170	9,157	1,611 33	610 47	37 89
Manitoba.....	7	11,970	2,637	1,710 00	376 71	22 03
Saskatchewan.....	5	7,572	2,054	1,514 40	410 80	27 13
Alberta.....	2	3,760	1,535	1,880 00	767 50	40 82
British Columbia.....	5	7,354	3,591	1,470 80	718 20	48 83
Total.....	217	355,163	133,149	1,636 70	613 59	37 49

TABLE XIV.—(4) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	4	16,364	5,570	4,091 00	1,392 50	34 04
New Brunswick.....	2	5,996	2,420	2,983 00	1,210 00	40 56
Prince Edward Island.....	1	4,270	462	4,270 00	462 00	10 82
Quebec.....	37	132,999	29,100	3,594 57	786 49	21 88
Montreal.....	25	86,683	23,401	3,467 32	936 04	27 00
Ontario.....	34	107,391	36,495	3,158 56	1,073 38	33 98
Toronto.....	12	41,617	11,415	3,468 08	951 25	27 43
Manitoba.....	1	2,830	374	2,830 00	374 00	13 22
Saskatchewan.....	3	11,543	3,094	3,847 67	1,031 33	26 80
Alberta.....	3	10,770	2,600	3,590 00	866 67	24 14
British Columbia.....	6	20,378	5,076	3,396 33	846 00	24 91
Total.....	128	440,811	120,007	3,443 84	937 57	27 22



TABLE XIV.—(5) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of estates	Realiza-tion	Cost of adminis-tration	Average realiza-tion	Average cost of adminis-tration	Percentage cost of adminis-tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	2	11,714	1,812	5,857 00	906 00	15.47
New Brunswick.....	2	9,643	2,507	4,821 50	1,253 50	26.00
Prince Edward Island.....						
Quebec.....	15	94,734	18,581	6,315 60	1,238 73	19.61
Montreal.....	21	154,251	44,752	7,345 29	2,131 05	29.01
Ontario.....	19	119,537	28,429	6,291 42	1,496 26	23.78
Toronto.....	10	71,665	16,051	7,166 50	1,605 10	22.40
Manitoba.....	2	15,360	2,305	7,680 00	1,152 50	15.01
Saskatchewan.....	1	6,089	697	6,089 00	697 00	11.45
Alberta.....	1	6,001	4,313	6,001 00	4,313 00	71.87
British Columbia.....	1	9,324	1,375	9,324 00	1,375 00	14.75
Total.....	74	498,318	120,822	6,734 03	1,632 73	24.25

TABLE XIV.—(6) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OVER \$10,000

Province or City	Number of estates	Realiza-tion	Cost of adminis-tration	Average realiza-tion	Average cost of adminis-tration	Percentage cost of adminis-tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	1	11,290	2,611	11,290 00	2,611 00	23.13
New Brunswick.....	1	10,164	3,029	10,164 00	3,029 00	29.80
Prince Edward Island.....	1	23,118	2,949	23,118 00	2,949 00	12.76
Quebec.....	12	244,133	59,831	20,344 42	4,985 92	24.51
Montreal.....	10	253,349	43,635	25,334 90	4,363 50	17.22
Ontario.....	11	294,224	56,714	26,747 64	5,155 82	19.28
Toronto.....	3	162,294	77,108	54,098 00	25,702 67	47.51
Manitoba.....	2	30,481	2,728	15,240 50	1,364 00	8.95
Saskatchewan.....						
Alberta.....						
British Columbia.....	3	96,814	22,665	32,271 33	7,555 00	23.41
Total.....	44	1,125 867	271,270	25,587 89	6,165 23	24.09

TABLE XV.—RECAPITULATION OF PERCENTAGE COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

Province or City	\$500 or under	\$501- \$1,000	\$1,001- \$2,500	\$2,501- \$5,000	\$5,001- \$10,000	Over \$10,000	Total
	%	%	%	%	%	%	%
Nova Scotia.....	77.55	28.13	30.01	34.04	15.47	23.13	27.00
New Brunswick.....	76.15	43.88	41.73	40.56	26.00	29.80	36.60
Prince Edward Island.....		26.76		10.82		12.76	12.95
Quebec.....	85.14	55.62	34.24	21.88	19.61	24.51	29.60
Montreal.....	89.66	57.82	39.02	27.00	29.01	17.22	32.16
Ontario.....	82.75	55.68	41.43	33.98	23.78	19.28	28.14
Toronto.....	82.13	42.49	37.89	27.43	22.40	47.51	38.78
Manitoba.....	91.62	58.53	22.03	13.22	15.01	8.95	19.38
Saskatchewan.....	100.00	34.64	27.13	26.80	11.45		24.42
Alberta.....	86.13	50.80	40.82	24.14	71.87		44.26
British Columbia.....	82.66	54.84	48.83	24.91	14.75	23.41	26.74
Average percentage cost for Canada.....	86.40	54.21	37.49	27.22	24.25	24.09	30.57

PART IV

OLD ESTATES CLOSED DURING 1939

TABLE XVI.—REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of estates	Realiza- tion	Cost of adminis- tration	Average realiza- tion	Average cost of adminis- tration	Percentage cost of adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	16	3,930	2,790	245 63	174 38	70.99
\$501 - \$1,000.....	12	7,863	5,514	655 25	459 50	70.13
\$1,001-\$2,500.....	19	30,064	14,747	1,582 32	776 16	49.05
\$2,501-\$5,000.....	16	56,134	19,755	3,508 38	1,234 69	35.19
\$5,001-\$10,000.....	9	73,676	26,933	8,186 22	2,992 56	36.56
Over \$10,000.....	21	950,120	336,475	45,243 81	16,022 62	35.41
Total.....	93	1,121,787	406,214	12,062 23	4,367 89	36.21

OTHER ESTATES COMPLETED DURING 1939

TABLE XVII.—ESTATES RE-OPENED TO REALIZE AND DISTRIBUTE AFTER-ACQUIRED ASSETS

Province or City	Estate originally closed	Subsequent realiza- tion	Cost of adminis- tration	Paid to creditors
		\$ cts.	\$ cts.	\$ cts.
Quebec.....	May 29, 1936	1,344 87	422 24	922 63
Quebec.....	Dec. 23, 1937	165 04	35 85	129 19
Montreal.....	Nov. 3, 1937	170 46	90 50	79 96
Ontario.....	May 27, 1937	1,351 22	159 48	1,191 74
Ontario.....	Nov. 19, 1937	208 87	147 81	61 06
Ontario.....	Jan. 7, 1938	100 00	100 00	.....
Total.....	.....	3,340 46	955 88	2,384 58

PART V

MISCELLANEOUS INFORMATION

TABLE XVIII.—APPLICATIONS OF DEBTORS FOR THEIR DISCHARGE FROM BANKRUPTCY DEALT WITH DURING 1939

Province or City	Pending at end of 1938	Discharges applied for in 1939	Granted Unconditionally	Bankruptcies Annulled	Suspended					Discharges refused	Applications abandoned	Pending at end of 1939
					One month	Three months	Six months	One year	Two years or more			
Nova Scotia.....	2	4	4	.....	.....	1	.....	.....	.....	.....	1	.....
New Brunswick.....	1	4	2	.....	.....	.....	.....	.....	.....	.....	1	.....
Prince Edward Island.....	.....	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....
Quebec.....	30	117	94	15	.....	.....	.....	.....	.....	.....	.....	.....
Montreal.....	67	162	109	6	.....	.....	.....	3	4	.....	6	18
Ontario.....	3	38	17	.....	4	9	4	11	35	.....	24	26
Toronto.....	1	19	9	1	1	2	1	.....	5	.....	1	2
Manitoba.....	1	4	3	.....	1	.....	.....	.....	.....	.....	1	.....
Saskatchewan.....	2	9	10	.....	1	.....	.....	.....	.....	.....	.....	.....
Alberta.....	2	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....
British Columbia.....	3	6	4	.....	1	1	.....	.....	.....	.....	1	1
Total.....	112	365	254	22	8	13	14	15	44	10	39	47

TABLE XIX.—BANKRUPTCIES SETTLED BY PROPOSAL OF COMPOSITION, EXTENSION, OR SCHEME OF ARRANGEMENT

Nova Scotia.....	1
New Brunswick.....	1
Prince Edward Island.....	.....
Quebec.....	19
Montreal.....	18
Ontario.....	5
Toronto.....	.....
Manitoba.....	1
Saskatchewan.....	.....
Alberta.....	.....
British Columbia.....	.....
Total.....	45



PART VI  
THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

TABLE XX.—ASSETS AND LIABILITIES FOR ESTATES REPORTED DURING 1939

Province	Number of estates	Assets			Total assets	Average assets per estate	Liabilities		Total liabilities	Average liabilities per estate
		Land	Livestock	Machinery			Secured and preferred	Ordinary		
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....										
New Brunswick.....										
Prince Edward Island.....										
Quebec.....	19	76,260 00	6,076 25	5,613 00	87,949 25	4,628 91	65,141 93	41,140 83	106,282 76	5,593 83
Ontario.....	21	84,450 99	14,900 95	8,872 27	108,223 22	5,153 49	114,295 13	49,117 64	163,412 77	7,781 56
Manitoba.....	4	800 00	1,675 50	1,355 00	3,830 50	957 63	4,493 36	5,531 89	10,025 25	2,506 31
Saskatchewan.....	20	66,286 00	6,227 00	9,249 00	81,762 00	4,088 10	170,693 67	32,815 99	203,509 66	10,175 48
Alberta.....	3	14,800 00	455 00	585 00	15,840 00	5,280 00	12,143 49	2,620 00	14,763 49	4,921 16
British Columbia.....	1	3,300 00	400 00	525 00	4,225 00	4,225 00	6,828 00	3,266 57	10,094 57	10,094 57
Total.....	68	245,896 00	29,734 70	26,199 27	301,829 97	4,438 68	373,595 58	134,492 92	508,088 50	7,471 89

TABLE XXI.—ESTATES COMPLETELY ADMINISTERED DURING 1939

Province	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
Number of estates.....	0	3	2	23	24	6	17	6	2	83
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Liabilities (as estimated by farmers)	.....	6,276 19	12,355 00	162,295 59	178,868 65	21,533 19	152,474 19	111,737 06	42,984 23	688,524 10
Assets (as estimated by farmers).....	.....	3,064 25	8,153 00	109,244 50	74,287 67	5,484 28	92,622 32	48,407 50	27,284 50	368,548 02
TRUSTEE'S RECEIPTS										
Realization of assets.....	.....	264 75	681 60	22,350 85	12,385 33	669 55	1,566 16	200 00	210 64	38,328 88
Advanced by Dominion Government to cover deficit.....	.....	72 90	.....	145 49	364 94	197 15	484 12	188 97	26 00	1,479 57
Total receipts.....	.....	337 65	681 60	22,496 34	12,750 27	866 70	2,050 28	388 97	236 64	39,808 45
TRUSTEE'S DISBURSEMENTS										
Paid to creditors { Secured	.....	14 92	126 04	14,309 08	4,200 67	.....	.....	99 50	.....	18,750 21
{ Preferred	.....	.....	51 40	2,587 45	2,283 74	.....	.....	49 75	.....	4,972 34
{ Ordinary	.....	63 61	128 72	972 76	3,709 72	560 26	998 37	.....	.....	6,433 44
Levy.....	.....	40	1 30	89 80	52 16	2 81	5 02	.....	.....	152 24
Undistributed assets vested in Receiver General.....	.....	.....	.....	.....	24 10	.....	10 61	.....	.....	34 71
Trustee's expenses.....	.....	168 72	314 14	3,548 05	1,737 10	123 63	526 28	88 97	81 64	6,588 53
Trustee's fees.....	.....	90 00	60 00	989 20	742 78	180 00	510 00	150 00	155 00	2,876 98
Total Payments.....	.....	337 65	681 60	22,496 34	12,750 27	866 70	2,050 28	388 97	236 64	39,808 45
Average cost per estate.....	.....	86 24	187 07	197 27	103 33	50 61	60 96	39 83	118 32	114 04
Percentage cost borne by Dominion Government.....	.....	28.18%	.....	3.21%	14.72%	64.93%	46.72%	79.08%	10.99%	15.65%
Assets realized direct by secured creditors.....	.....	850 00	6,800 00	31,650 00	51,173 00	473 00	62,072 00	42,132 00	26,451 00	221,601 00









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ANNUAL REPORT  
OF THE  
SUPERINTENDENT  
OF  
BANKRUPTCY

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FOR THE CALENDAR YEAR 1940

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Secretary of State



OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
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1941

The Honourable PIERRE F. CASGRAIN, K.C., M.P.,  
Secretary of State,  
Ottawa.

SIR,—I have the honour to submit my eighth Annual Report on the administration of The Bankruptcy Act during the year ending December 31, 1940.

In the interest of economy the usual observations relating to the operation of the Act have been omitted from this report.

Yours very truly,

W. J. REILLEY,  
*Superintendent of Bankruptcy.*

OTTAWA, May 13th, 1941.



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# ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1940

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## 1. APPOINTMENTS UNDER THE BANKRUPTCY ACT

### (a) OFFICIAL RECEIVERS

James Harry Charman, Esq., Acting Registrar of the Supreme Court, Calgary, appointed Acting Official Receiver for Division No. 2 of the Bankruptcy District of Alberta, effective January 17, 1940, vice V. R. Jones, On Active Service. (P.C. 161, January 17, 1940).

Edgar Laliberte, Esq., Joint Prothonotary of the Superior Court, Arthabaska, appointed Official Receiver jointly with Adelard Picher, Esq., for Division No. 15 of the Bankruptcy District of Quebec, effective February 20, 1940, vice Roland Provencher, retired. (P.C. 696, February 20, 1940).

Henri Lizotte, Esq., Prothonotary of the Superior Court, New Carlisle, appointed Official Receiver for Division No. 11 of the Bankruptcy District of Quebec, effective February 23, 1940, vice J. Edmond Gagnon, deceased. (P.C. 744, February 23, 1940).

Durward Granger Thomas, Esq., Local Registrar of the Court of King's Bench, Saskatoon, appointed Official Receiver for Division No. 2 of the Bankruptcy District of Saskatchewan, effective May 1, 1940, vice John C. Bell, retired. (P.C. 1689, May 1, 1940).

Leonidas Gagne, Esq., Prothonotary of the Superior Court, Chicoutimi, appointed Official Receiver jointly with Percy Martin, Esq., for Division No. 7 of the Bankruptcy District of Quebec, effective May 4, 1940. (P.C. 1763, May 4, 1940).

Richard Pollock Wallace, Esq., Clerk of the Supreme Court of Alberta, Edmonton, appointed Official Receiver for the Northwest Territories, effective June 25, 1940, vice Egbert Owen, retired. (P.C. 2765, June 25, 1940).

### (b) REGISTRARS IN BANKRUPTCY AND TAXING OFFICERS

Maurice Tessier, Esq., Deputy Prothonotary of the Superior Court, Amos, appointed by the Honourable Acting Chief Justice of the Superior Court to be Assistant Registrar in Bankruptcy for Division No. 12 of the Bankruptcy District of Quebec, effective January 13, 1940.

Henri Lizotte, Esq., Prothonotary of the Superior Court, New Carlisle, appointed by the Honourable Acting Chief Justice of the Superior Court to be Registrar in Bankruptcy and Taxing Officer for Division No. 11 of the Bankruptcy District of Quebec, effective January 22, 1940, vice J. Edmond Gagnon, deceased.

Edgar Laliberte, Esq., Joint Prothonotary of the Superior Court, Arthabaska, appointed by the Honourable Acting Chief Justice of the Superior Court to be Registrar in Bankruptcy and Taxing Officer jointly with Adelard Picher, Esq., for Division No. 15 of the Bankruptcy District of Quebec, effective February 29, 1940, vice Roland Provencher, retired.

Leonidas Gagne, Esq., Prothonotary of the Superior Court, Chicoutimi, appointed by the Honourable Acting Chief Justice of the Superior Court to be Registrar in Bankruptcy and Taxing Officer jointly with Percy Martin, Esq., for Division No. 7 of the Bankruptcy District of Quebec, effective March 12, 1940.



2. LICENSING AND SUPERVISORY ACTIVITIES

(i) LICENSING OF TRUSTEES

(a) *Licences Granted for 1940*

Renewal certificates for 1940 were issued to 230 of the 247 trustees whose licences expired on December 31, 1939. One late application for renewal was subsequently received and granted. No new licences were issued during the year, the number of licences in force in 1940 remaining at 231.

(b) *Licences Cancelled in 1940*

Six licences were cancelled during the year. Three trustees were removed by death, and three withdrew from practice.

(c) *Renewal of Licences for 1941*

Of the 225 trustees whose licences expired on December 31, 1940, 214 applied for and received certificates of renewal for 1941.

(d) *Distribution of Licences*

The following table shows the distribution by provinces of the 214 licences renewed for 1941. In this table trustees licensed to operate in two or more provinces are shown only in the provinces in which their head offices are situated:

Nova Scotia.....	8	Quebec.....	88	Saskatchewan.....	4
New Brunswick.....	7	Ontario.....	81	Alberta.....	2
Prince Edward Island.	1	Manitoba.....	8	British Columbia.....	15

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces, mostly trust companies with offices in the larger centres, are included in the total for each province in which they operate:

Nova Scotia.....	12	Quebec.....	94	Saskatchewan.....	13
New Brunswick.....	11	Ontario.....	90	Alberta.....	10
Prince Edward Island.	3	Manitoba.....	15	British Columbia.....	21
		Northwest Territories..	1		

The following statement shows the number of licences issued during the eight-year period ending December 31, 1940:

—	1933	1934	1935	1936	1937	1938	1939	1940
New licences issued.....	364	23	19	9	9	11	10	0
Licences Renewed.....		328	301	292	269	250	239	231
Total.....	364	351	320	301	278	261	249	231

Cancellations during the same period were as follows:

—	1933	1934	1935	1936	1937	1938	1939	1940	Total
Death of trustees.....	2	2	2	3	5	3	.....	3	20
Resigned.....	.....	2	1	1	1	3	.....	3	11
Cancelled for cause.....	2	3	.....	2	3	.....	2	.....	12
Renewals not granted.....	5	2	3	5	6	2	.....	2	25
Renewals not applied for.....	27	41	22	21	13	14	16	9	163
Total.....	36	50	28	32	28	22	18	17	231

The continued decrease since 1932 in the number of licensed trustees has resulted mainly from the voluntary retirement or withdrawal from practice of licensees who found that the volume of work available was insufficient to warrant the renewal of their licences. The number now licensed is ample to take care of the work to be done.

## (ii) BANKRUPTCIES REPORTED AND ESTATES ADMINISTERED

There were 1,003 bankruptcies reported during 1940 compared with 1,109 in 1939 and 1,074 in 1938. Comparative figures for all provinces for the five-year period ending December 31, 1940, are as follows:

Year	N.S.	N.B.	P.E.I.	Que.	Mont.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
1936.....	33	20	6	304	406	210	78	24	20	20	33	1,154
1937.....	16	16	.....	259	342	182	70	16	14	18	34	967
1938.....	20	19	4	309	369	182	95	24	13	10	29	1,074
1939.....	31	19	2	303	401	170	70	28	14	22	49	1,109
1940.....	24	9	4	276	383	177	50	18	14	23	25	1,003

Liabilities and assets for the 1,003 estates reported during 1940 were estimated and valued by the debtors at \$13,184,363 and \$9,432,567, respectively. The corresponding totals for the 1,109 estates reported during 1939 were respectively \$15,945,781 and \$12,212,486.

The administration of 1,084 estates was completed in 1940 as compared with 1,119 estates completed in 1939. A survey of the administration of the 1,084 estates closed in 1940 gives the following figures and results:

Total liabilities estimated by debtors at.. . . . .	\$ 14,932,651
Total assets valued by debtors at.. . . . .	11,315,392
which realized.. . . . .	2,495,254
Distributed as follows:	
Payments to creditors.. . . . .	1,738,608
Cost of administration.. . . . .	756,646

To the distribution to creditors as shown there should be added assets of an estimated value of \$3,047,329 realized or taken over by secured creditors, making in all a return to creditors in cash or in kind of \$4,785,937, or 32.05 per cent of the estimated liabilities and leaving an estimated net loss to creditors of \$10,146,714, or 67.95 per cent of the total liabilities.

In addition to the 1,003 bankruptcies reported during 1940, 13 old bankruptcies (estates in existence prior to the Bankruptcy Act Amendment Act, 1932) were reported to this office and the administration of 60 old estates was completed. Altogether, the administration of 2,482 new estates and 390 old estates was under supervision during the year. There were 1,398 new estates and 382 old estates under administration at the end of 1940. Detailed information regarding the number and location of bankruptcies reported, size of estates, realization of assets, payments to creditors, administrative costs, etc., will be found in the tables forming the Appendix to this report.

## (iii) COMPLAINTS AND INVESTIGATIONS

During the year sixty complaints were registered against thirty trustees. Fifty-eight of these sixty complaints related to estates under the administration of licensed trustees; the balance related to estates which came into existence prior to December 1, 1932, in which the trustees are not licensed. Forty-seven complaints were made by creditors or on their behalf, and six were made by debtors. Three complaints were received from licensed trustees. One complaint was made regarding the refusal of a trustee to accept appointment and one



complaint was received from a Bonding Company regarding delay in closing estate.

Complaints received from creditors may be classified as follows:

Delay in winding up estates.. . . .	8
Delay in payment of claims.. . . .	7
Unable to obtain reports or information requested.. . . .	16
Irregular disposal of assets.. . . .	3
High administrative costs.. . . .	6
Miscellaneous.. . . .	7

Each and all of these complaints were looked into and steps taken when necessary to satisfy the complainant.

To this end four outside investigations were conducted by members of the staff. In addition thereto the administration of four trustees was also made the subject of special investigation by a member of the staff.

3. PROSECUTIONS IN BANKRUPTCY CASES

At the end of 1939 there were thirty-one cases in which investigations were being continued or in which criminal proceedings were pending before the courts. Fourteen new cases, in which there were grounds to believe that offences had been committed and in which an investigation of some sort had been made, were reported in 1940. Thirty-five of these forty-five cases were closed in 1940. In the remaining ten proceedings were pending or contemplated at the end of 1940, or the investigations were being continued.

The accused persons were brought to trial in eighteen of the thirty-five cases closed in 1940. Four cases were dropped because of lack of funds or the indifference of the creditors to further investigate or prosecute. In four there was insufficient proof of wrong-doing to warrant the institution of criminal proceedings. In three cases the offences were presumably not considered sufficiently serious and in two cases the applications for authority to prosecute were dismissed. In another case partial restitution was made and the charges were withdrawn. Three accused escaped prosecution by absconding.

Convictions were obtained in fifteen of the eighteen cases brought to trial. In three cases the accused were acquitted. In six of the fifteen cases in which convictions were obtained the accused were subjected to the payment of fines varying from twenty-five to two hundred and fifty dollars. Sentences of imprisonment varying from one month to two years were imposed in seven cases. In one case six months' imprisonment and a fine of five hundred dollars was imposed. In the remaining case the accused was released on suspended sentence.

4. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Thirty-three assignments under the Bankruptcy Act were made by farmers in 1940, and two receiving orders were made against farmers who had failed to carry out the terms of their proposals, as provided for by Section 10A (2) of the Farmers' Creditors Arrangement Act.

The liabilities and assets of these thirty-five estates were estimated at \$233,230.92 and \$143,676.15, respectively, representing average liabilities of \$6,663.74 and assets of \$4,105.03 for each estate. Real property represented \$108,455 or 75.49 per cent of the assets, the balance, or \$35,221.15, consisting of live stock and machinery. Of the liabilities \$163,972.19, or 70.30 per cent of the total were either secured or preferred, the balance consisting of ordinary unsecured claims.

Including 102 estates carried over from 1939, there was under administration in 1940 a total of 137 farmer estates. Of these, 59 were completely administered and the trustees released during the year, leaving 78 on hand as at December 31, 1940.



The 59 estates closed in 1940 represented total liabilities of \$459,515.99 and assets of a total estimated value of \$267,032.47. The proceeds from the sale of assets by official receiver-trustees, exclusive of cash payments to farmers in lieu of exemptions, amounted to \$36,217.34, all of which, less administrative costs of \$6,296.49, was available for distribution to the creditors. In addition to the cash payments made to the creditors, land and chattels under mortgage or lien of an estimated value of \$158,398 were transferred to or repossessed by secured creditors.

To cover the cost of administering estates with no realizable assets or with insufficient assets an additional sum of \$1,120.57 was advanced by the Dominion Government, bringing the total administrative costs to \$7,417.06, or an average of \$125.71.

The applications of twenty-three farmers for discharge from bankruptcy were disposed of by the courts during the year, all of which were granted unconditionally. No applications were refused but one was pending at the close of the year. In seven cases the assignments were annulled on the approval by the court of compositions or settlements accepted by the creditors. There were no prosecutions in bankruptcy cases under this Act in 1940.

Tables showing liabilities and assets of farmer estates reported in 1940, and details of the administration of estates closed in 1940, have been included in the Appendix to this report. The following table shows, by provinces, the number of assignments made under the Farmers' Creditors Arrangement Act since it came into effect on September 1, 1934:

Year	N.S.	N.B.	P.E.I.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1934 (4 months).....	0	5	0	7	4	12	22	11	0	61
1935.....	0	8	3	38	27	24	98	86	1	285
1936.....	0	4	2	39	24	15	62	33	3	182
1937.....	0	3	2	34	28	10	29	3	1	110
1938.....	0	3	2	33	29	8	16	13	2	106
1939.....	0	0	0	17	20	4	20	2	1	64
1940.....	0	0	0	6	8	0	13	6	0	33
Total.....	0	23	9	174	140	73	260	154	8	841

During this period thirty-eight receiving orders were made against farmers in the Provinces of Alberta, Saskatchewan, Ontario and Quebec, only, as shown hereunder:—

—	Alberta	Saskat- chewan	Ontario	Quebec	Total
1934 (4 months).....	0	0	0	0	0
1935.....	1	0	0	1	2
1936.....	1	2	0	11	14
1937.....	1	6	0	5	12
1938.....	2	0	0	2	4
1939.....	1	0	1	2	4
1940.....	0	1	0	1	2
Total.....	6	9	1	22	38

5. REVENUE AND EXPENDITURES

The total net revenues as against expenditures from January 1, 1940, to December 31, 1940, have been as follows:

REVENUE—CALENDAR YEAR, 1940	
Licence fees (including renewals for 1940) .. .. .	\$ 4,510 00
Levy under Section 126A .. .. .	13,050 75
Total net revenue .. .. .	<u>\$ 17,560 75</u>

EXPENDITURE—CALENDAR YEAR, 1940	
Salaries .. .. .	29,305 92
Printing and stationery .. .. .	1,160 79
Travelling .. .. .	397 25
Rent and maintenance .. .. .	2,193 82
Sundries .. .. .	102 46
Total expenditure .. .. .	<u>\$ 33,160 24</u>

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PART I

BANKRUPTCIES REPORTED DURING 1940

TABLE I.—NEW BANKRUPTCIES REPORTED

Province or City	Number of Estates Opened	Percent- age of Total	Assets as estimated by Debtors	Liabilities as estimated by Debtors	AVERAGE PER ESTATE	
					Assets	Liabilities
		%	\$	\$	\$	\$
Nova Scotia.....	24	2.39	245,199	320,135	10,217	13,339
New Brunswick.....	9	0.90	74,597	89,863	8,289	9,985
Prince Edward Island.....	4	0.40	9,171	13,612	2,293	3,403
Quebec.....	276	27.52	1,689,776	2,331,425	6,122	8,447
Montreal.....	383	38.18	2,795,534	5,211,640	7,299	13,607
Ontario.....	177	17.65	2,055,894	2,214,990	11,615	12,514
Toronto.....	50	4.99	796,147	965,645	15,923	19,313
Manitoba.....	18	1.79	118,949	157,150	6,608	8,730
Saskatchewan.....	14	1.40	49,393	103,839	3,528	7,417
Alberta.....	23	2.29	221,830	394,571	9,645	17,155
British Columbia.....	25	2.49	1,376,077	1,381,493	55,043	55,260
Total.....	1,003	100.00	9,432,567	13,184,363	9,404	13,145

TABLE II.—OLD BANKRUPTCIES (ESTATES IN EXISTENCE PRIOR TO THE 1932 AMENDMENT) REPORTED TO SUPERINTENDENT DURING 1940

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
13	1	.....	.....	2	3	3	1	.....	.....	3	.....

TABLE III.—TOTAL BANKRUPTCIES REPORTED DURING 1940

Total	N.S.	N.B.	P.E.I.	Que.	M'tl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.
1,016	25	9	4	278	386	180	51	18	14	26	25

TABLE IV.—ESTATES ON HAND AT 31st DECEMBER, 1940

Year	NEW ESTATES			OLD ESTATES		
	Opened	Closed	Carried Over	Reported	Closed	Carried Over
1933.....	2,604	850	1,754	1,340	860	480
1934.....	1,411	1,620	1,545	2,030	1,033	1,477
1935.....	1,263	1,198	1,610	343	428	1,392
1936.....	1,154	1,069	1,695	194	480	1,106
1937.....	967	1,149	1,513	126	337	895
1938.....	1,074	1,098	1,489	137	176	*444
1939.....	1,109	1,119	1,479	26	93	377
1940.....	1,003	1,084	1,398	13	60	330
Total.....	10,585	9,187	1,398	4,209	3,467	330

\*As adjusted—See Annual Report 1938.

INCOMPLETED ESTATES—

Administration carried over to 1941—New.....	1,398
Old.....	330
Total.....	1,728

TABLE V.—PERCENTAGE OF ASSIGNMENTS AND RECEIVING ORDERS TO TOTAL NUMBER OF NEW BANKRUPTCIES REPORTED DURING 1940

Province or City	New Bankruptcies 1940	Assignments		Receiving Orders	
		Number	%	Number	%
Nova Scotia.....	24	20	83.33	4	16.67
New Brunswick.....	9	9	100.00		
Prince Edward Island.....	4	4	100.00		
Quebec.....	276	253	91.67	23	8.33
Montreal.....	383	340	88.77	43	11.23
Ontario.....	177	159	89.83	18	10.17
Toronto.....	50	35	70.00	15	30.00
Manitoba.....	18	18	100.00		
Saskatchewan.....	14	14	100.00		
Alberta.....	23	18	78.26	5	21.74
British Columbia.....	25	24	96.00	1	4.00
Total.....	1,003	894	89.13	109	10.87

TABLE VI.—OCCUPATIONAL CLASSIFICATION OF DEBTORS

—	N.S.	N.B.	P.E.I.	Que.	Mtl.	Ont.	Tor.	Man.	Sask.	Alta.	B.C.	Total
<b>MANUFACTURE AND INDUSTRY—</b>												
Lumber and Woodworking.....				7	1	4					3	15
Mining.....	1			1	3	2	4			1	3	15
Food Products.....				7	7	4						18
Furniture.....					2	1						3
Shoes and Leather Goods.....				4	7		3					14
Clothing.....				2	25	2	3	1				33
Drugs and Chemicals.....				1	6			1			1	9
Metal Works.....					2							2
Printing.....				2	3	1						6
Roofers and Tinsmiths.....					1	1						2
Hardware.....						3						3
Paint.....										1		1
Electrical Contractors.....					7							7
Building Contractors.....				13	22	10	2	1	1	1		50
Machinery Manufacturing.....						2						2
Box Manufacturing.....							1					1
Jewellery and Silverware.....				1	1		1					3
Miscellaneous.....				1	2	1	1			2		7
Total.....	1			39	89	31	15	3	1	5	7	191
<b>TRADE—</b>												
Dry Goods.....	4	1		22	26	31	9	4	3		2	102
Food Products.....	10	3	1	55	59	49	5	4	3	4	8	201
General Merchants.....		3	2	30	3	8			2	6	2	56
Footwear.....	2			4	7	3	5					21
Furs.....				1	4					2		7
Furniture.....				1	1	4	1					7
Fuels.....				4	7	3	2	1			1	18
Building Supplies.....	1			1	1	1		1				5
Electric Supplies.....				1	3	4			1			9
Plumbing Supplies.....				1	2		1					4
Store Fixtures and Supplies.....					3							3
Hardware and Sporting Supplies.....	2			11	9	6	2	1				31
Painters and Decorators.....	1			2	1	2						5
Garage and Auto Supplies.....	1	1		13	14	8	2	1	1	1		42
Druggists.....	1			1	4	1			2		1	10
Tobacco and Stationery.....			1	2	6	2	3	1				15
Jewellery.....				2	1	1						4
Miscellaneous.....					1	1	1		1	1		5
Total.....	21	8	4	151	152	124	31	13	13	14	14	545
<b>OTHERS—</b>												
Transportation.....				8	2	1						11
Finance.....					4	1				1	2	8
<b>Service—</b>												
Professional.....	1	1		6	12		1					21
Business.....					3						1	4
Recreational.....				2			1					2
Personal.....				2	6	2						10
Hotel and Restaurant.....				22	15	4		1		3		45
Wage Earners.....	1			35	63	5	1	1				106
Real Estate and Insurance.....				3	12	1					1	17
Commercial Agents and Salesmen.....				9	25	8	1					43
Miscellaneous.....												
Total.....	2	1		86	142	22	4	2		4	4	267
Grand Total.....	24	9	4	276	383	177	50	18	14	23	25	1,003

PART II  
ESTATES CLOSED DURING 1940  
(Exclusive of "Old" Estates reported in Part IV)

TABLE VII.—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION, BY DISTRICTS

Province or City	Number of Estates Closed	Assets as estimated by Debtors	Liabilities as estim- ated by Debtors	Realiza- tion		Receipts from Opera- tions		Gross Receipts		Cost of Adminis- tration		Percent- age Cost	Paid to Creditors		Realized Direct by Secured Creditors (approx.)	Total Amount Recovered by Creditors (approx.)
		\$	\$	\$	cts.	\$	cts.	\$	cts.	\$	cts.	%	\$	cts.	\$	\$
Nova Scotia.....	32	414,380	501,349	82,980	32		385	83,366	01	21,987	50	26.37	61,378	51	69,171	130,550
New Brunswick.....	12	146,284	198,431	46,452	36			46,452	36	11,894	47	25.61	34,557	89	31,293	65,851
Prince Edward Island	4	9,774	14,788	3,170	21			3,170	21	1,127	13	35.55	2,043	08	1,711	3,754
Quebec.....	321	2,986,140	2,900,995	625,960	08		8,420	634,380	56	206,863	77	32.61	427,516	79	664,218	1,091,735
Montreal.....	381	3,069,540	5,938,407	781,709	22		5,213	786,922	92	228,916	39	29.09	558,006	53	906,286	1,464,293
Ontario.....	177	1,736,333	2,332,502	426,369	49		7,723	434,092	73	140,311	16	32.32	293,781	57	464,093	757,875
Toronto.....	69	1,641,418	1,758,381	196,527	49		11,080	207,608	44	57,595	19	27.74	150,013	25	685,087	835,100
Manitoba.....	19	127,524	159,646	46,157	91			46,157	91	9,116	83	19.75	37,041	08	10,803	47,844
Saskatchewan.....	14	84,955	171,001	34,672	80			34,672	80	10,407	34	30.02	24,265	46	3,079	27,344
Alberta.....	22	403,531	327,081	44,805	86		2,442	47,247	98	27,372	79	57.93	19,875	19	61,522	81,397
British Columbia....	33	695,513	630,070	158,646	42		12,535	171,181	65	41,053	29	23.98	130,128	36	150,066	280,194
Total.....	1,084	11,315,392	14,932,651	2,447,452	16		47,801	2,495,253	57	756,645	86	30.32	1,738,607	71	3,047,329	4,785,937



TABLE VIII.—CLASSIFICATION OF LIABILITIES AND PAYMENTS TO CREDITORS

Province or City	LIABILITIES ESTIMATED BY DEBTORS				PAYMENTS TO CREDITORS					Levy	
	Total	Secured	Preferred	Ordinary	Total	Secured	Preferred	Ordinary	Percentage to Ordinary Creditors		
	\$	\$	\$	\$	\$	\$	\$	\$	%	\$	cts.
Nova Scotia.....	501,349	100,194	18,054	383,101	61,378 51	19,002 84	9,722 08	32,347 79	8.44		305 80
New Brunswick.....	198,431	45,004	6,695	146,732	34,557 89	4,784 53	4,156 10	25,441 77	17.34		172 49
Prince Edward Island.....	14,788	1,131	1,277	12,380	2,043 08	414 65	1,154 18	464 14	3.75		10 11
Quebec.....	2,900,995	852,236	162,556	1,886,203	427,516 79	119,066 34	98,653 36	207,660 76	11.01		2,136 33
Montreal.....	5,938,407	1,072,857	271,750	4,593,800	558,006 53	168,875 12	130,400 43	255,868 21	5.14		2,822 67
Ontario.....	2,332,502	570,870	100,170	1,661,462	293,781 57	56,584 21	72,346 70	163,484 32	9.84		1,366 34
Toronto.....	1,758,381	828,256	135,646	794,479	150,013 25	29,334 38	56,142 06	63,802 94	8.03		733 87
Manitoba.....	159,646	38,242	8,858	112,546	37,041 08	24,744 42	7,595 12	4,519 41	4.02		182 13
Saskatchewan.....	171,001	10,719	7,350	152,932	24,265 46	2,874 34	4,983 01	16,286 66	10.65		121 45
Alberta.....	327,081	71,858	25,626	229,597	19,875 19	1,115 70	12,799 45	5,805 13	2.53		154 91
British Columbia.....	630,070	176,287	38,460	415,323	130,128 36	16,032 67	17,689 16	95,760 80	23.06		645 73
Total.....	14,932,651	3,767,654	776,442	10,388,555	1,738,607 71	442,829 20	415,621 75	871,484 93	8.39		8,651 83

THE SUPERINTENDENT OF BANKRUPTCY

TABLE IX.—SUMMARY OF TOTAL ADMINISTRATIVE COSTS

Province or City	Number of Estates	Custodian	Trustee	Legal	Total Cost of Admin- istration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	32	3,016 45	14,040 32	4,930 73	21,987 50
New Brunswick.....	12	2,093,08	7,392 19	2,409 20	11,894 47
Prince Edward Island.....	4	190 22	741 99	194 92	1,127 13
Quebec.....	321	36,073 37	135,366 52	35,423 88	206,863 77
Montreal.....	381	36,929 74	146,965 58	45,021 07	228,916 39
Ontario.....	177	22,559,78	87,301 61	30,449 77	140,311 16
Toronto.....	69	8,132 55	35,975 59	13,487 05	57,595 19
Manitoba.....	19	2,270 76	5,296 96	1,549 11	9,116 83
Saskatchewan.....	14	2,539 11	5,863,59	2,004,64	10,407 34
Alberta.....	22	2,373 11	18,234 89	6,764 79	27,372 79
British Columbia.....	33	2,495 77	33,338 00	5,219 52	41,053 29
Total.....	1,084	118,673 94	490,517 24	147,454 68	756,645 86

TABLE X.—RATES OF DIVIDENDS PAID IN ESTATES CLOSED DURING 1940

Province or City	Number of Estates Closed	Closed without Divi- dend	DIVIDENDS									
			Under 1%	1% Under 2½%	2½% Under 5%	5% Under 10%	10% Under 15%	15% Under 25%	25% Under 50%	50% Under 75%	75% Under 100%	At 100%
Nova Scotia.....	32	14	.....	3	2	3	4	4	2	.....	.....	.....
New Brunswick.....	12	4	.....	.....	1	1	.....	3	3	.....	.....	.....
Prince Edward Island.....	4	2	.....	1	.....	.....	.....	1	.....	.....	.....	.....
Quebec.....	321	174	6	6	14	35	22	20	35	7	.....	2
Montreal.....	381	272	2	9	15	19	14	22	19	6	1	2
Ontario.....	177	85	1	6	19	18	7	14	20	5	2	.....
Toronto.....	69	31	2	.....	7	8	5	9	5	1	.....	1
Manitoba.....	19	11	1	1	.....	2	2	1	1	.....	.....	.....
Saskatchewan.....	14	6	.....	1	.....	2	.....	3	2	.....	.....	.....
Alberta.....	22	15	1	1	.....	2	2	1	.....	.....	.....	.....
British Columbia.....	33	17	1	1	4	1	3	2	2	.....	.....	2
Total.....	1,084	631	14	29	62	91	59	80	89	19	3	7
Percentage of Total...	.....	58.21%	1.29%	2.67%	5.72%	8.40%	5.44%	7.38%	8.21%	1.75%	•28%	•65%

TABLE XI.—COMPARATIVE STATEMENT OF AVERAGES FOR THE YEARS  
1936 TO 1940

	1936	1937	1938	1939	1940
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Average Assets.....	9,649 00	16,011 00	14,568 00	11,773 00	10,439 00
Average Liabilities.....	13,114 00	17,782 00	19,780 00	14,085 00	13,775 00
RECEIPTS					
Realizations.....	2,059 41	2,403 77	2,276 87	2,332 79	2,257 79
Net receipts from operations.....	59 50	38 13	24 18	51 22	44 10
Total receipts.....	2,118 91	2,441 90	2,301 05	2,384 01	2,301 89
DISBURSEMENTS					
<i>Custodian—</i>					
Fees of Official Receiver.....	15 94	15 74	16 22	16 84	16 83
Advertising.....	18 97	19 40	19 15	18 77	18 03
Notices to Creditors.....	11 56	11 51	12 51	12 95	13 69
Postage.....	5 61	5 55	5 95	5 91	6 17
Possession and stocktaking.....	36 79	33 12	35 80	40 45	40 59
Bond and insurance premiums.....	6 18	6 22	5 76	5 13	4 81
Miscellaneous.....	8 22	11 29	11 47	10 06	9 35
Custodian costs.....	103 27	102 83	106 86	110 11	109 47
<i>Trustee—</i>					
Advertising.....	16 59	15 76	15 34	14 74	15 91
Bond and insurance premiums.....	21 31	29 32	32 84	33 89	34 83
Auctioneer.....	10 87	12 48	13 46	13 94	13 42
Notices to creditors.....	18 05	17 27	19 45	20 25	19 93
Postage.....	10 32	10 36	12 21	12 23	12 61
Registrar's fees.....	17 39	13 88	13 33	13 61	13 72
Inspectors' fees and expenses.....	23 95	26 94	24 34	28 27	28 86
Miscellaneous.....	91 93	107 83	103 43	163 26	113 08
Loss on operations.....	9 32	10 81	22 52	20 53	8 24
Trustee's fee (less deficit).....	127 46	179 49	176 61	171 83	191 91
Trustee costs.....	347 19	424 14	433 53	492 55	452 51
<i>Legal—</i>					
On petition or assignment.....	38 94	33 89	33 10	36 04	35 08
Solicitor to estate.....	70 06	101 82	74 70	85 67	99 05
Awarded against trustee.....	4 78	7 96	5 25	4 31	1 90
Legal costs.....	113 78	143 67	113 05	126 02	136 03
TOTAL COST OF ADMINISTRATION.....	564 24	670 64	653 44	728 68	698 01
AVAILABLE FOR DISTRIBUTION.....	1,554 67	1,771 26	1,647 61	1,655 33	1,603 88
Levy.....	7 34	10 49	8 59	7 99	7 98
Paid to secured creditors.....	485 88	426 95	432 06	373 52	408 52
Paid to preferred creditors.....	428 94	549 13	442 43	450 35	383 42
Paid to ordinary creditors.....	632 51	784 69	764 53	823 47	803 96
Total dividend.....	1,554,67	1,771 26	1,647 61	1,655 33	1,603 88
Percentage cost of administration.....	26.6%	27.46%	28.39%	30.57%	30.32%



TABLE XII.—ANALYSIS OF BANKRUPTCY COSTS IN ESTATES CLOSED DURING 1940

AVERAGES BY CITY OR PROVINCE																										
	Total	General Average	N.S.		N.B.		P.E.I.		Que.		Mont.		Ont.		Tor.		Man.		Sask.		Alta.		B.C.			
			\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.				
Assets.....	11,315,392 00	10,439 00	37,746 00	12,190 00	2,444 00	9,303 00	8,057 00	9,810 00	23,789 00	6,712 00	6,068 00	18,342 00	21,076 00	14,932,651 00	13,775 00	15,667 00	16,536 00	3,697 00	9,037 00	15,586 00	13,178 00	25,484 00	8,403 00	12,214 00	14,867 00	19,093 00
Liabilities.....																										
Receipts																										
Realization.....	2,447,452 16	2,257 79	2,593 14	3,871 03	792 55	1,950 03	2,051 73	2,408 86	2,848 22	2,429 36	2,476 63	2,036 63	4,807 47	47,801 41	44 10	12 05										379 85
Net receipts from operations.....																										
Total receipts.....	2,495,253 57	2,301 89	2,605 19	3,871 03	792 55	1,976 26	2,065 41	2,452 50	3,008 81	2,429 36	2,476 63	2,147 64	5,187 32													
Disbursements																										
Custodian—																										
Fees of Official Receiver.....	18,248 02	16 83	11 31	15 32	8 00	17 30	17 16	18 74	16 27	18 35	13 24	13 56	9 33													
Advertising.....	19,546 19	18 03	14 97	14 46	12 11	17 35	18 92	17 30	23 15	16 81	16 39	18 81	14 83													
Notices to creditors.....	14,840 61	13 69	19 81	32 72	6 00	14 10	12 24	13 32	15 56	9 71	18 36	9 49	15 69													
Postage.....	6,692 60	6 17	8 25	7 64	4 08	5 60	5 86	6 64	8 64	4 53	7 11	5 75	6 17													
Possession and stocktaking.....	43,995 45	40 59	21 60	77 48	7 45	43 60	37 53	43 05	34 77	57 07	109 87	36 64	18 39													
Bond and insurance premiums.....	5,214 69	4 81	9 24	7 45	7 54	4 13	2 28	8 25	6 03	3 63	12 62	15 41	4 43													
Miscellaneous.....	10,136 48	9 35	9 08	19 35	2 37	10 30	2 93	20 16	13 44	9 41	4 07	10 20	6 79													
Custodian costs.....	118,673 94	109 47	94 26	174 42	47 55	112 38	96 95	127 46	117 86	119 51	181 36	107 86	75 63													
Trustee—																										
Advertising.....	17,247 26	15 91	16 78	15 26	9 06	19 91	14 66	15 19	13 14	6 24	9 24	9 14	14 28													
Bond and insurance premiums.....	37,756 19	34 83	15 55	58 71	9 50	35 42	27 60	32 46	37 34	23 71	44 36	86 21	101 21													
Auctioneer.....	14,535 30	13 42	6 82	35 86		6 42	16 37	12 33	37 97	35			23 67													
Notices to creditors.....	21,608 72	19 93	22 37	29 23	9 25	21 90	17 42	18 90	19 98	14 62	35 89	22 08	25 35													
Postage.....	13,667 81	12 61	19 24	17 19	9 16	12 04	9 53	15 40	14 81	8 64	21 90	25 22	16 34													
Registrar's fees.....	14,872 50	13 72	19 09	10 83	9 55	16 07	14 26	11 50	10 60	7 61	4 30	9 85	9 44													
Inspectors' fees and expenses.....	31,287 95	28 86	37 25	43 39	18 60	31 68	19 51	38 73	34 10	29 21	19 29	35 14	33 09													
Miscellaneous.....	122,584 65	113 08	136 27	185 49	13 46	104 91	73 69	121 27	118 25	72 61	144 83	281 05	453 95													
Loss on operations.....	8,929 45	8 24				7 63	6 92	1 13	14 69			110 16	6 24													
Trustee's fee (less deficit).....	208,027 41	191 91	165 39	220 07	106 92	165 72	185 75	226 32	220 51	115 80	139 02	250 01	326 67													
Trustee costs.....	490,517 24	452 51	438 76	616 03	185 50	421 70	385 74	493 23	521 39	278 79	418 83	828 86	1,010 24													
Legal—																										
On petition or assignment.....	38,024 59	35 08	50 61	48 67	33 85	37 75	35 87	26 86	38 67	14 70	34 32	16 28	41 26													
Solicitor to estate.....	107,366 21	99 05	100 30	152 09	14 88	71 73	81 04	141 32	155 54	66 83	98 75	291 21	108 09													
Awarded against trustee.....	2,063 88	1 90	3 18			87	1 26	3 85	1 25		10 12		8 82													
Legal costs.....	147,454 68	136 03	154 09	200 76	48 73	110 35	118 17	172 03	195 46	81 53	143 19	307 49	158 17													
TOTAL COST OF ADMINISTRATION.....	756,645 86	698 01	687 11	991 21	281 78	644 43	600 83	792 72	834 71	479 83	743 38	1,244 22	1,244 04													
AVAILABLE FOR DISTRIBUTION.....	1,738,607 71	1,603 88	1,918 08	2,879 82	510 77	1,331 83	1,464 58	1,659 78	2,174 10	1,949 53	1,733 25	903 42	3,943 28													
Levy.....	8,651 83	7 98	9 56	14 37	2 53	6 66	7 41	7 72	10 63	9 59	8 67	7 04	19 57													
Paid to secured creditors.....	442,829 20	408 52	593 84	398 71	103 66	370 92	443 24	319 68	425 14	1,302 34	205 32	50 71	485 84													
Paid to preferred creditors.....	415,621 75	383 42	303 81	346 34	288 55	307 33	342 26	408 74	813 65	399 74	355 93	581 80	536 03													
Paid to ordinary creditors.....	871,484 93	803 96	1,010 87	2,120 40	116 03	646 92	671 67	923 64	924 68	237 86	1,163 33	263 87	2,901 84													
Total dividend.....	1,738,607 71	1,603 88	1,918 08	2,879 82	510 77	1,331 83	1,464 58	1,659 78	2,174 10	1,949 53	1,733 25	903 42	3,943 28													
Percentage cost of administration.....	30.32%	30.32%	26.37%	25.61%	35.55%	32.61%	29.09%	32.32%	27.74%	19.75%	30.02%	57.93%	23.98%													
Assets realized by secured creditors.....	3,047,329 00	2,811 00	2,162 00	2,608 00	428 00	2,069 00	2,379 00	2,622 00	9,929 00	569 00	220 00	2,796 00	4,547 00													

PART III

COMPARATIVE COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

(Exclusive of "Old" Estates Referred to in Part IV)

TABLE XIII.—CLASSIFICATION OF ESTATES ACCORDING TO SIZE

Province or City	\$500 or under	\$501- \$1,000	\$1,001- \$2,500	\$2,501- \$5,000	\$5,001- \$10,000	Over \$10,000	Total
Nova Scotia.....	10	6	7	5	2	2	32
New Brunswick.....	1	.....	8	.....	1	2	12
Prince Edward Island.....	.....	4	.....	.....	.....	.....	4
Quebec.....	134	63	60	35	15	14	321
Montreal.....	198	64	52	28	24	15	381
Ontario.....	55	33	49	19	16	5	177
Toronto.....	14	15	18	9	8	5	69
Manitoba.....	5	7	6	.....	.....	1	19
Saskatchewan.....	4	3	2	3	2	.....	14
Alberta.....	8	5	5	2	1	1	22
British Columbia.....	7	9	8	1	4	4	33
Total.....	436	209	215	102	73	49	1,084
Percentage.....	40.22%	19.28%	19.83%	9.41%	6.74%	4.52%	100.00%

TABLE XIV.—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	436	110,233	94,215	252 83	216 09	85.47
\$501—\$1,000.....	209	151,974	80,901	727 15	387 09	53.23
\$1,001—\$2,500.....	215	337,214	129,820	1,568 44	603 81	38.50
\$2,501—\$5,000.....	102	353,495	107,754	3,465 64	1,056 41	30.48
\$5,001—\$10,000.....	73	513,207	138,114	7,030 23	1,891 97	26.91
Over \$10,000.....	49	1,029,131	205,841	21,002 67	4,200 84	20.00
Total.....	1,084	2,495,254	756,645	2,301 89	698 01	30.32

TABLE XIV.—(1) COST OF ADMINISTRATION BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

ESTATES OF \$500 OR UNDER

Province or City	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	10	2,970	1,961	297 00	196 10	66.03
New Brunswick.....	1	250	250	250 00	250 00	100.00
Prince Edward Island.....	.....	.....	.....	.....	.....	.....
Quebec.....	134	36,830	30,761	274 85	229 56	83.52
Montreal.....	198	47,473	42,471	239 76	214 50	89.46
Ontario.....	55	13,169	11,018	239 44	200 33	83.67
Toronto.....	14	3,828	3,117	273 43	222 64	81.42
Manitoba.....	5	1,065	785	213 00	157 00	73.71
Saskatchewan.....	4	1,015	716	253 75	179 00	70.54
Alberta.....	8	1,976	1,649	247 00	206 13	83.45
British Columbia.....	7	1,657	1,487	236 71	212 43	89.74
Total.....	436	110,233	94,215	252 83	216 09	85.47



THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIV.—(2) COST OF ADMINISTRATION BY CITY OR PROVINCE  
ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	6	3,742	2,292	623 67	382 00	61.25
New Brunswick.....						
Prince Edward Island.....	4	3,170	1,127	792 50	281 75	35.55
Quebec.....	63	45,763	24,812	726 40	393 84	54.22
Montreal.....	64	47,874	28,153	748 03	439 89	58.81
Ontario.....	33	23,020	11,862	697 58	359 45	51.53
Toronto.....	15	10,410	4,779	694 00	318 60	45.91
Manitoba.....	7	5,276	2,324	753 71	332 00	44.05
Saskatchewan.....	3	2,014	577	671 33	192 33	28.65
Alberta.....	5	4,124	1,841	824 80	368 20	44.64
British Columbia.....	9	6,581	3,134	731 22	348 22	47.62
Total.....	209	151,974	80,901	727 15	387 09	53.23

TABLE XIV.—(3) COST OF ADMINISTRATION BY CITY OR PROVINCE  
ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	7	10,202	3,869	1,457 43	552 71	37.92
New Brunswick.....	8	12,673	6,133	1,584 13	766 63	48.39
Prince Edward Island.....						
Quebec.....	60	96,613	35,476	1,610 22	591 27	36.72
Montreal.....	52	75,687	30,227	1,455 52	581 29	39.94
Ontario.....	49	76,125	27,270	1,553 57	556 53	35.82
Toronto.....	18	32,161	13,742	1,786 72	763 44	42.73
Manitoba.....	6	9,570	2,605	1,595 00	434 17	27.22
Saskatchewan.....	2	2,932	700	1,466 00	350 00	23.87
Alberta.....	5	8,282	4,892	1,656 40	978 40	59.07
British Columbia.....	8	12,969	4,906	1,621 13	613 25	37.83
Total.....	215	337,214	129,820	1,568 44	603 81	38.50

TABLE XIV.—(4) COST OF ADMINISTRATION BY CITY OR PROVINCE  
ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	5	16,686	4,015	3,337 20	803 00	24.07
New Brunswick.....						
Prince Edward Island.....						
Quebec.....	35	126,131	34,299	3,603 74	979 97	27.19
Montreal.....	28	93,295	30,409	3,331 96	1,086 04	32.59
Ontario.....	19	66,822	20,607	3,516 95	1,084 58	30.84
Toronto.....	9	29,555	9,660	3,283 89	1,073 33	32.68
Manitoba.....						
Saskatchewan.....	3	10,462	2,878	3,487 33	959 33	27.51
Alberta.....	2	6,559	4,776	3,279 50	2,388 00	72.82
British Columbia.....	1	3,985	1,110	3,985 00	1,110 00	27.85
Total.....	102	353,495	107,754	3,465 64	1,056 41	30.48



TABLE XIV.—(5) COST OF ADMINISTRATION BY CITY OR PROVINCE  
ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	2	14,199	4,795	7,099 50	2,397 50	33.77
New Brunswick.....	1	9,074	1,181	9,074 00	1,181 00	13.02
Prince Edward Island.....						
Quebec.....	15	99,652	27,677	6,643 47	1,845 13	27.77
Montreal.....	24	167,146	38,366	6,964 42	1,598 58	22.95
Ontario.....	16	118,764	31,986	7,422 75	1,999 13	26.93
Toronto.....	8	55,371	13,323	6,921 37	1,665 38	24.06
Manitoba.....						
Saskatchewan.....	2	18,250	5,536	9,125 00	2,768 00	30.33
Alberta.....	1	5,217	1,331	5,217 00	1,331 00	25.51
British Columbia.....	4	25,534	13,919	6,383 50	3,479 75	54.51
Total.....	73	513,207	138,114	7,030 23	1,891 97	26.91

TABLE XIV.—(6) COST OF ADMINISTRATION BY CITY OR PROVINCE  
ACCORDING TO SIZE OF ESTATES  
ESTATES OVER \$10,000

Province or City	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
Nova Scotia.....	2	35,567	5,056	17,783 50	2,528 00	14.22
New Brunswick.....	2	24,455	4,330	12,227 50	2,165 00	17.71
Prince Edward Island.....						
Quebec.....	14	229,392	53,839	16,385 14	3,845 64	23.47
Montreal.....	15	355,448	59,290	23,696 53	3,952 67	16.68
Ontario.....	5	136,193	37,568	27,238 60	7,513 60	27.58
Toronto.....	5	76,283	12,974	15,256 60	2,594 80	17.01
Manitoba.....	1	30,247	3,403	30,247 00	3,403 00	11.25
Saskatchewan.....						
Alberta.....	1	21,090	12,884	21,090 00	12,884 00	61.09
British Columbia.....	4	120,456	16,497	30,114 00	4,124 25	13.70
Total.....	49	1,029,131	205,841	21,002 67	4,200 84	20.00

TABLE XV.—RECAPITULATION OF PERCENTAGE COST OF ADMINISTRATION  
BY CITY OR PROVINCE ACCORDING TO SIZE OF ESTATES

Province or City	\$500 or under	\$501- \$1,000	\$1,001- \$2,500	\$2,501- \$5,000	\$5,001- \$10,000	Over \$10,000	Total
	%	%	%	%	%	%	%
Nova Scotia.....	66.03	61.25	37.92	24.07	33.77	14.22	26.37
New Brunswick.....	100.00		48.39		13.02	17.71	25.61
Prince Edward Island.....		35.55					35.55
Quebec.....	83.52	54.22	36.72	27.19	27.77	23.47	32.61
Montreal.....	89.46	58.81	39.94	32.59	22.95	16.68	29.09
Ontario.....	83.67	51.53	35.82	30.84	26.93	27.58	32.32
Toronto.....	81.42	45.91	42.73	32.68	24.06	17.01	27.74
Manitoba.....	73.71	44.05	27.22			11.25	19.75
Saskatchewan.....	70.54	28.65	23.87	27.51	30.33		30.02
Alberta.....	83.45	44.64	59.07	72.82	25.51	61.09	57.93
British Columbia.....	89.74	47.62	37.83	27.85	54.51	13.70	23.98
Average percentage cost for Canada	85.47	53.23	38.50	30.48	26.91	20.00	30.32

PART IV

OLD ESTATES CLOSED DURING 1940

TABLE XVI.—REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of Estates	Number of Estates	Realiza- tion	Cost of Adminis- tration	Average Realization	Average Cost of Adminis- tration	Percentage Cost of Adminis- tration
		\$	\$	\$ cts.	\$ cts.	%
\$500 or under.....	13	3,181	2,399	244 69	184 54	75.42
\$501—\$1,000.....	6	4,452	2,599	742 00	433 17	58.38
\$1,001—\$2,500.....	12	21,434	14,605	1,786 17	1,217 08	68.14
\$2,501—\$5,000.....	10	32,762	20,930	3,276 20	2,093 00	63.88
\$5,001—\$10,000.....	7	48,728	22,625	6,961 14	3,232 14	46.43
Over \$10,000.....	12	500,757	224,462	41,729 75	18,705 17	44.82
Total.....	60	611,314	287,620	10,188 57	4,793 67	47.06

OTHER ESTATES COMPLETED DURING 1940

TABLE XVII.—ESTATES RE-OPENED TO REALIZE AND DISTRIBUTE AFTER-ACQUIRED ASSETS

Province or City	Estate Originally Closed	Subsequent Realiza- tion	Cost of Adminis- tration	Paid to Creditors
		\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	December 15, 1934	7,031 65	514 48	6,517 17
New Brunswick.....	August 6, 1936	750 00	750 00	.....
Montreal.....	August 24, 1931	93 05	93 05	.....
Montreal.....	August 10, 1936	741 15	166 23	574 92
Montreal.....	September 8, 1938	145 13	122 01	23 12
Montreal.....	June 7, 1939	117 01	34 48	82 53
Ontario.....	November 19, 1937	100 00	60 00	40 00
Toronto.....	June 11, 1935	264 75	117 62	147 13
Toronto.....	January 27, 1938	2,450 92	837 33	1,613 59
Manitoba.....	March 25, 1938	1,500 00	338 77	1,161 23
Manitoba.....	July 24, 1940	50 00	12 43	37 57
Total.....	.....	13,243 66	3,046 40	10,197 26

## MISCELLANEOUS INFORMATION

TABLE XVIII.—APPLICATIONS OF DEBTORS FOR THEIR DISCHARGE FROM BANKRUPTCY DEALT WITH DURING 1940

Province or City	Pending at end of 1939	Dis- charges applied for in 1940	Granted Uncondi- tionally	Bank- ruptcies Annulled	SUSPENDED						Dis- charges Refused	Applica- tions Abandoned	Pending at end of 1940
					One month	Three months	Six months	One year	Two or more years	Pending payments ordered by Court			
Nova Scotia.....	.....	9	6	.....	.....	.....	1	.....	2	.....	.....	.....	.....
New Brunswick.....	.....	2	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Prince Edward Island.....	.....	.....	.....	14	.....	.....	.....	.....	.....	.....	.....	.....	.....
Quebec.....	18	114	78	2	.....	.....	.....	2	9	5	.....	10	14
Montreal.....	26	155	99	3	10	19	4	6	35	11	1	6	17
Ontario.....	2	43	6	.....	2	.....	4	1	.....	.....	.....	.....	2
Toronto.....	.....	7	1	.....	.....	.....	2	.....	.....	.....	1	.....	1
Manitoba.....	.....	3	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
Saskatchewan.....	.....	13	7	.....	.....	1	.....	.....	.....	.....	.....	.....	5
Alberta.....	1	3	2	.....	.....	.....	.....	.....	1	.....	.....	1	.....
British Columbia.....	.....	8	5	.....	2	.....	.....	.....	.....	.....	.....	.....	1
	47	357	208	19	14	20	11	9	47	16	2	17	41

TABLE XIX.—BANKRUPTCIES SETTLED BY PROPOSAL OF COMPOSITION  
EXTENSION, OR SCHEME OF ARRANGEMENT

Nova Scotia.....	1
New Brunswick.....	—
Prince Edward Island.....	—
Quebec.....	23
Montreal.....	16
Ontario.....	3
Toronto.....	—
Manitoba.....	—
Saskatchewan.....	—
Alberta.....	—
British Columbia.....	—
Total.....	43



PART VI  
THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

TABLE XX.—ASSETS AND LIABILITIES FOR ESTATES REPORTED DURING 1940

Province	Number of Estates	ASSETS				Total Assets	Average Assets per Estate		LIABILITIES		Total Liabilities	Average Liabilities per Estate
		Land	Livestock		Machinery		Secured and Preferred	Ordinary				
			\$	cts.	\$	cts.			\$	cts.	\$	cts.
Nova Scotia.....	0											
New Brunswick.....	0											
Prince Edward Island.....	0											
Quebec.....	7	23,875 00	3,926 00	3,180 00	30,981 00	4,425 86	39,715 70	7,651 09	47,366 79	6,766 68		
Ontario.....	8	25,800 00	4,160 50	4,322 65	34,283 15	4,285 39	31,139 24	13,602 98	44,742 22	5,592 78		
Manitoba.....	0											
Saskatchewan.....	14	53,630 00	4,249 00	13,156 00	71,035 00	5,073 93	72,767 58	24,673 66	97,441 24	6,960 09		
Alberta*.....	6	5,150 00	815 00	1,412 00	7,377 00	1,229 50	20,349 67	23,331 00	43,680 67	7,280 11		
British Columbia.....	0											
Total.....	35	108,455 00	13,150 50	22,070 65	143,676 15	4,105 03	163,972 19	69,258 73	233,230 92	6,663 74		

\*There is realty in only two cases and in one of these there is some disparity between the amount of the secured claims and the current value of the property.

TABLE XXI.—ESTATES COMPLETELY ADMINISTERED DURING 1940

Province	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
Number of estates.....	0	0	2	15	18	0	20	3	1	59
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
Liabilities (as estimated by farmers).....			7,702 58	83,306 73	157,877 69		194,588 64	12,918 60	3,121 75	459,515 99
Assets (as estimated by farmers).....			5,198 00	64,381 00	109,495 97		72,832 50	13,280 00	1,845 00	267,032 47
TRUSTEE'S RECEIPTS										
Realization of assets.....			673 40	19,750 28	14,684 83		440 22	60 00	608 61	36 217 34
Advanced by Dominion Government to cover deficit.....			32 20	64 74	308 94		671 31	43 38		1,120 57
Total receipts.....			705 60	19,815 02	14,993 77		1,111 53	103 38	608 61	37,337 91
TRUSTEE'S DISBURSEMENTS										
Paid to creditors.....			248 75	12,415 12	1,277 83		89 30			14,031 00
(Secured.....				1,861 04	926 43				262 01	3,049 48
Preferred.....			237 77	2,045 58	10,212 87		80 17		99 68	12,676 07
Ordinary.....			2 44	64 87	64 45		85		1 81	134 42
Levy.....				0 14			29 74			29 88
Undistributed assets vested in Receiver General.....			156 64	2,988 27	1,972 19		311 47	43 38	215 11	5,687 06
Trustee's expenses.....			60 00	440 00	540 00		600 00	60 00	30 00	1,730 00
Trustee's fees.....										
Total payments.....			705 60	19,815 02	14,993 77		1,111 53	103 38	608 61	37,337 91
Average cost per estate.....			108 32	228 55	139 57		45 57	34 46	245 11	125 71
Percentage cost borne by Dominion Government.....			14.86%	1.89%	12.30%		73.65%	41.96%		15.11%
Assets realized direct by secured creditors.....			3,499 00	14,705 00	77,285 00		56,534 00	6,025 00	350 00	158,398 00

























AUG 13 1986



